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ORIGINAL FORMAL COMPLAINT

RECEIVED

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

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AZ CORP COMMISSION
DOCKET CONTROL

Arizona Corporation Commission

DOCKETED

MAY 20 2008

DOCKETED BY [signature]

IN THE MATTER OF THE FORMAL
COMPLAINT OF SPARTAN HOMES AND
CONSTRUCTION, INC, AGAINST FAR
WEST WATER AND SEWER, INC.

DOCKET NO.
WS-03478A-08-0256
FORMAL COMPLAINT

Pursuant to the provisions of A.R.S. §§ 40-203, 40-241 et seq., 40-246, 40-321,
40-322, 40-331, 40-361 and 40-421 et seq.; Arizona Administrative Code ("A.A.C.")
A.A.C. R14-2-406(C)(2), R14-2-406(D) and (E), R14-2-406(G), R14-2-406(M), R14-
2-606(A)(5), R14-2-606(B)(2), R14-2-606(C), and R14-3-106(L); and Article 15, §§ 3,
4, 12 and 19 of the Arizona Constitution, Spartan Homes & Construction, Inc., an
Arizona corporation ("Spartan"), hereby files its formal complaint (the "Complaint")
against Far West Water & Sewer, Inc., an Arizona corporation ("Far West"), and
requests that the Arizona Corporation Commission ("Commission") issue its order as
set forth hereinafter.

In support of its Complaint, Spartan alleges and asserts as follows:

BACKGROUND

1. Spartan is an Arizona corporation which develops real estate and
constructs homes in Yuma County, Arizona. Brian Householder ("Householder") is the
Vice President/Secretary and a shareholder of Spartan.

Snell & Wilmer
LAW OFFICES
One Arizona Center, 400 E. Van Buren
Phoenix, Arizona 85004-2202
(602) 382-6000

2. Far West is an Arizona public service corporation engaged in the business of providing water and sewer utility services to the public for profit in unincorporated portions of Yuma County, Arizona. As of December 31, 2006, Far West provided sewer utility services to approximately 6,800 permanent sewer connections and 14,600 permanent water service connections, pursuant to authority granted by the Commission.¹

3. Far West is a public service corporation as that term is defined in Article 15, Section 2 of the Arizona Constitution, and as such, is regulated by the Commission.

4. Upon information and belief, Mark Kaveney ("Kaveney" or the "Far West Representative") was the general superintendent of Far West during the years 2003, 2004, 2005 and 2006 when the events giving rise to this Complaint occurred.

5. Spartan is the developer of a residential subdivision in Yuma County, Arizona, known as Sierra Ridge ("Sierra Ridge" or the "Residential Property"). Sierra Ridge is located in a portion of the west ½ of the northwest ¼ of Section 9, Township 9 South, Range 21 West, Gila and Salt River Base and Meridian ("G&SRB&M"), and covers approximately 45.83 acres. In addition, Spartan owns a parcel of commercial property (the "Commercial Property") adjacent to the Residential Property which covers approximately 12.12 acres. The Residential Property and the Commercial Property are collectively referred to herein as the "Spartan Property."

6. The Residential Property is being developed by Spartan in two phases: Unit 1 ("Sierra Ridge Unit 1") and Unit 2 ("Sierra Ridge Unit 2"). Sierra Ridge Unit 1 consists of 113 residential lots.² The final plat for Sierra Ridge Unit 1 was recorded on

¹ See Decision 69950, FOF 1.

² Sierra Ridge Unit 1 was originally planned as two separate units or phases consisting of a total of 113 residential lots. However, in the final plat, Spartan combined the two units or phases into a single unit identified on the plat and herein as Sierra Ridge Unit 1, which contains 113 residential lots. Sierra Ridge Unit 2 contains 60 residential lots. In certain of the documents attached as exhibits to this Complaint, references appear to Sierra Ridge #1, #2 and #3. References in the documents to Sierra Ridge #1 and #2

1 or about March 11, 2005 as Fee No. 2005-10314 with the Yuma County Recorder.
2 Sierra Ridge Unit 2 consists of 60 residential lots. The final plat for Sierra Ridge Unit 2
3 has been prepared and approved by Yuma County but not recorded as of the date of this
4 Complaint. Planning for the Commercial Property has not been completed.

5 7. The Spartan Property is located within the area covered by the Certificate
6 of Convenience and Necessity ("CC&N") of Far West for water service. A map
7 depicting the water CC&N of Far West in Township 9 South, Range 21 West,
8 G&SRB&M, is attached hereto as Exhibit "A" and incorporated herein by this
9 reference.

10 8. The Spartan Property is located adjacent to but outside of the area covered
11 by the sewer CC&N of Far West. A map depicting the sewer CC&N of Far West in
12 Township 9 South, Range 21 West, G&SRB&M, is attached as Exhibit "A."

13 9. In or about July 2003, Spartan contacted Yuma Territorial Engineering,
14 P.C. ("YTE") to discuss retaining YTE to prepare a plat and engineering design plans
15 for on-site infrastructure for Sierra Ridge.

16 10. In or about July 2003, Householder contacted both Far West and the
17 Yuma County Department of Development Services ("Yuma County DDS") regarding
18 the existence of water facilities to serve the Spartan Property. Householder did not
19 initially ask about existing sewer facilities because he believed that none existed in the
20 vicinity of the Spartan Property, and he had planned to use individual on-site septic
21 systems to serve the Spartan Property. However, Householder was informed by both
22 the Far West Representative and Yuma County DDS that a Far West water main and a
23 Far West sewer collection main were located within approximately 100 feet of the
24 Spartan Property in a road immediately adjacent to the Spartan Property known as

25
26 refer to what is now known as Sierra Ridge Unit 1 and references to Sierra Ridge #3 refer to what is now
known as Sierra Ridge Unit 2.

1 Avenue 12E. The Far West Representative told Householder that Far West could
2 provide both water and sewer service to the Spartan Property by connecting to the
3 existing water main and sewer collection main in Avenue 12E. After this conversation,
4 Far West sent Householder a facsimile dated July 29, 2003, which included Far West's
5 "Development Policy and Procedures 2003" and "Check List for Development"
6 (collectively, the "Far West Policies and Procedures"). A copy of the Far West
7 Policies and Procedures received by Householder is attached hereto as Exhibit "B" and
8 incorporated herein by this reference.

9 11. In or about October 2003, Householder contacted the Far West
10 Representative by telephone to discuss water and sewer service for Sierra Ridge. On
11 that telephone call, the Far West Representative told Householder that the fee to
12 connect sewer service to each lot in Sierra Ridge was \$50 and that the fee to connect
13 water service to each lot in Sierra Ridge was \$25.

14 12. In late 2003 or early 2004, Householder again spoke to the Far West
15 Representative by telephone to discuss water and sewer service for the Spartan
16 Property. This time, the Far West Representative told Householder that Spartan would
17 be required to pay a sewer hook-up fee of approximately \$900 for each residential lot
18 within Sierra Ridge in order to obtain sewer service.

19 13. Subsequent to Householder's conversation with the Far West
20 Representative regarding sewer hook-up fees, Householder was told by an engineer at
21 YTE that Far West was charging different developers different amounts for sewer
22 hook-up fees. Householder was told that some developers were charged only \$50 per
23 lot for a sewer connection while others were charged \$350 per lot. Upon information
24 and belief, the development known as Mesquite at Mesa del Sol located immediately
25 across the freeway from Sierra Ridge was not charged only \$50 per sewer connection.
26

1 14. Upon information and belief, Far West's initial sewer rates were
2 established in Decision 58607 (April 28, 1994) and remained in effect until modified in
3 Decision 69335 (February 20, 2007). Decision 58607 authorized a flat monthly
4 residential sewer rate of \$20 and a service establishment fee of \$20. Decision 58607
5 does not authorize a sewer hook-up fee.

6 15. In or about January 2004, Householder spoke again with the Far West
7 Representative by telephone and explained his concerns about paying fees for sewer
8 service that were not authorized in Far West's sewer tariff and that were not being
9 uniformly and fairly applied to developers requesting sewer service from Far West.
10 The Far West Representative told Householder that Far West would not provide sewer
11 service to Sierra Ridge unless Spartan paid hook-up fees of approximately \$900 per lot.

12 16. Householder contacted the Commission's Consumer Affairs Division on
13 or about January 13, 2004, to discuss Far West's rates and charges for service.

14 17. Spartan acquired the Spartan Property on or about February 27, 2004. At
15 the time Spartan acquired the Spartan Property, Householder believed that the Spartan
16 Property was located within the sewer CC&N for Far West. In his various
17 communications with the Far West Representative prior to February 27, 2004, no
18 mention was ever made that the Spartan Property was located outside of the Far West
19 sewer CC&N.

20 18. On or about April 27, 2004, Spartan entered into a contract with YTE to
21 provide engineering services in connection with the development of Sierra Ridge.

22 19. Upon information and belief, in the Spring of 2004, Householder spoke to
23 the Far West Representative again about water and sewer service for Sierra Ridge, but
24 this time the Far West Representative told Householder that Far West did not have
25 sewer capacity for Sierra Ridge. As a result of this conversation, Householder decided
26 to consider the use of individual on-site septic systems for Sierra Ridge.

20. In the summer of 2004, Householder contacted Yuma County DDS to ask whether individual on-site septic systems could be installed in each residential lot within Sierra Ridge to provide sewer service. Householder was told by Yuma County DDS that Spartan could use individual on-site septic systems within Sierra Ridge if Spartan maintained an average residential lot size of 8,000 square feet and if Sierra Ridge passed soil percolation tests. Householder directed YTE to proceed with soil percolation tests for Sierra Ridge.

21. In or about July 2004, YTE conducted soil borings and percolation tests within Sierra Ridge at a cost of approximately \$5,000. Copies of the soil borings and percolation test results are attached hereto as Exhibit "C" and incorporated herein by this reference. The results of the soil borings and percolation tests demonstrated that soil percolation within Sierra Ridge was suitable for individual on-site septic systems, and test results were submitted to Yuma County DDS and the Arizona Department of Environmental Quality ("ADEQ") by YTE.

22. On or about August 16, 2004, the Arizona Department of Water Resources issued Water Adequacy Report #22-401419 (the "Sierra Ridge Water Adequacy Report") confirming the adequacy of a 100-year water supply for 171 lots at Sierra Ridge. A copy of the Sierra Ridge Water Adequacy Report is attached hereto as Exhibit "D" and incorporated herein by this reference. The Sierra Ridge Water Adequacy Report identifies Far West as the water provider.

23. On or about October 8, 2004, Yuma County signed a County Approval of Subdivision to be Served by Individual On-Site Wastewater Treatment Facilities (the "Approval to Install Individual On-Site Septic Systems") authorizing the installation of individual on-site septic systems for the 113 lots in Sierra Ridge Unit 1.³ A copy of the Approval to Install Individual On-Site Septic Systems is attached hereto as Exhibit "E"

³ See *supra* footnote 2.

1 and incorporated herein by this reference. Under the heading "County Comments" on
2 the Approval to Install Individual On-Site Septic Systems, Yuma County
3 Environmental Health Manager R.J. Stacks states that "Sewer is not available in the
4 foreseeable future," referring to Sierra Ridge Unit 1.

5 24. After receiving approval to install individual on-site septic systems at
6 Sierra Ridge Unit 1, Householder directed YTE to modify the preliminary plat for
7 Sierra Ridge Unit 1 to increase lot sizes to an average of 8,000 square feet to
8 accommodate individual on-site septic systems in compliance with the requirements of
9 Yuma County DDS. YTE revised the plat to increase the lot sizes. Increasing the lot
10 sizes in Sierra Ridge Unit 1 to 8,000 square feet per lot reduced the total number of lots
11 that were initially planned for Sierra Ridge Unit 1 to 113.

12 25. Some time shortly after Yuma County signed the Approval to Install
13 Individual On-Site Septic Systems on or about October 8, 2004, Householder received
14 an unsolicited telephone call from the Far West Representative in which the Far West
15 Representative stated that: (i) Far West did have treatment capacity to provide sewer
16 service to the Spartan Property; and (ii) Far West would provide sewer service to Sierra
17 Ridge Spartan without requiring the payment by Spartan of sewer hook-up fees. In
18 response to these statements, Householder asked how it was that Far West now had
19 treatment capacity for the Spartan Property when the Far West Representative had told
20 Householder earlier in the year that Far West did not have such treatment capacity. The
21 Far West Representative told Householder not to worry about it, and reiterated that Far
22 West did in fact have the treatment capacity to provider sewer service to the Spartan
23 Property.

24 26. In reliance upon the representations of the Far West Representative that:
25 (i) Far West had treatment capacity to provide sewer service to the Spartan Property;
26 and (ii) Far West would provide sewer service to Sierra Ridge without requiring the

1 payment by Spartan of sewer hook-up fees, Householder agreed to obtain sewer service
2 from Far West, foregoing its legal right to install individual on-site septic systems
3 within Sierra Ridge Unit 1, which had already been approved pursuant to the Approval
4 to Install Individual On-Site Septic Systems.

5 27. YTE prepared engineering design plans ("Design Plans") and construction
6 cost estimates ("Cost Estimates") for the water distribution infrastructure and sewer
7 collection infrastructure for Sierra Ridge Unit 1. Upon information and belief, YTE
8 submitted the Design Plans and Cost Estimates to Far West for review and approval,
9 and Far West approved the Design Plans and Cost Estimates.

10 28. In late 2004, YTE applied to Yuma County DDS for an approval to
11 construct water facilities for Sierra Ridge Unit 1. On or about December 9, 2004,
12 Yuma County DDS issued a Certificate of Approval to Construct Water Facilities for
13 Sierra Ridge Unit 1.⁴ A copy of the Certificate of Approval to Construct Water
14 Facilities for Sierra Ridge Unit 1 is attached hereto as Exhibit "F" and incorporated
15 herein by this reference.

16 29. In late 2004, YTE applied to Yuma County DDS for a Provisional
17 Verification of General Permit Conformance for Sewage Collection System for Sierra
18 Ridge Unit 1 ("Provisional Verification for Sierra Ridge Unit 1"). On or about
19 December 9, 2004, Yuma County DDS issued the Provisional Verification for Sierra
20 Ridge Unit 1,⁵ which is an approval to construct the sewer collection infrastructure for
21 Sierra Ridge Unit 1. A copy of the Provisional Verification for Sierra Ridge Unit 1 is
22 attached hereto as Exhibit "G" and incorporated herein by this reference. The
23 Provisional Verification for Sierra Ridge Unit 1 identifies Far West as the wastewater
24 provider.

25 _____
26 ⁴ See *supra* footnote 2.

⁵ See *supra* footnote 2.

1 30. On or about January 28, 2005, the Far West Representative executed (as
2 General Superintendent of Far West) an ADEQ form captioned "Water Service
3 Agreement and Sewer Service Agreement" for Sierra Ridge Unit 1 (the "Water and
4 Sewer Service Agreement for Unit 1").⁶ Pursuant to the express language of the Water
5 and Sewer Service Agreement for Unit 1, Far West provided an "unconditional
6 agreement which is effective this date ... to provide water service to each and every lot
7 [in Sierra Ridge Unit 1] in accordance within the design shown on the attached plats of
8 the subdivision." Far West further agreed to "inspect this project during construction to
9 assure compliance with plans and specifications approved by the Arizona Department
10 of Environmental Quality and upon completion shall be responsible for maintenance
11 and operating the system." Further, Far West provided an "unconditional agreement ...
12 to provide sewer service to each and every lot [in Sierra Ridge Unit 1] in accordance
13 within the design shown on the attached plats of the subdivision." Further, Far West
14 agreed to "inspect this project during construction to assure compliance with plans and
15 specifications approved by the Arizona Department of Environmental Quality and upon
16 completion shall be responsible for maintenance and operating the system." A copy of
17 the Water and Sewer Service Agreement for Unit 1 is attached hereto as Exhibit "H"
18 and incorporated herein by this reference. Spartan has reasonably relied upon the
19 Water and Sewer Service Agreement for Unit 1 provided by Far West.

20 31. On or about January 29, 2005, the Far West Representative executed (as
21 General Superintendent of Far West) an ADEQ form captioned "Drinking Water
22 Service Agreement" for Sierra Ridge Unit 1 (the "Drinking Water Service Agreement
23 for Unit 1").⁷ A copy of the Drinking Water Service Agreement for Unit 1 is attached
24

25
26 ⁶ See *supra* footnote 2.

⁷ See *supra* footnote 2.

1 hereto as Exhibit "I" and incorporated herein by this reference. Spartan has reasonably
2 relied upon the Drinking Water Service Agreement for Unit 1 provided by Far West.

3 32. On or about January 29, 2005, the Far West Representative executed (as
4 General Superintendent of Far West) an ADEQ form captioned "Capacity Assurance
5 for Sewage Collection System" for Sierra Ridge Unit 1 (the "Sewer Collection Capacity
6 Assurance for Unit 1").⁸ The Sewer Collection Capacity Assurance for Unit 1 specifies
7 a design flow for Sierra Ridge Unit 1 of .024 million gallons per day ("MGD") and a
8 downstream sewage collection system capacity of .200 MGD. The Sewer Collection
9 Capacity Assurance for Unit 1 states as follows:

10 I, Mark Kaveney, certify that the sewer collection system identified in item
11 "2b" can maintain the performance standards required under A.A.C. R18-9-
12 E301(B) for the increased flow from the proposed system or expansion
13 identified in item "1a" [Sierra Ridge Unit 1]. I am aware that there are
14 significant penalties for submitting false information including permit
revocation as well as the possibility of fine and imprisonment for knowing
violations.

15 A copy of the Sewer Collection Capacity Assurance for Unit 1 is attached hereto as
16 Exhibit "J" and incorporated herein by this reference. Upon information and belief, a
17 copy of the Sewer Collection Capacity Assurance for Unit 1 was submitted by Far West
18 to Yuma County DDS. Spartan has reasonably relied upon the Sewer Collection
19 Capacity Assurance for Unit 1 provided by Far West.

20 33. On or about January 29, 2005, the Far West Representative executed (as
21 General Superintendent of Far West) an ADEQ form captioned "Sewage Treatment
22 Facility Capacity Assurance" for Sierra Ridge Unit 1 (the "Sewage Treatment Capacity
23 Assurance for Unit 1").⁹ The Sewage Treatment Capacity Assurance for Unit 1
24 specifies the "Palm Shadows WWTP" as the sewage treatment facility for Sierra Ridge

25 ⁸ See *supra* footnote 2.

26 ⁹ See *supra* footnote 2.

Unit 1 with a permitted, approved and constructed capacity of .200 MGD and a total design flow connected to the Palm Shadows WWTP at that time of .153 MGD, which was less than the capacity of the Palm Shadows WWTP. Sierra Ridge Unit 1 has a design flow of .024 MGD. The Sewage Treatment Capacity Assurance for Unit 1 states as follows:

I, Mark Kaveney, affirm that the additional volume of sewage delivered to the facility by the sewer collection system service the proposed subdivision [Sierra Ridge Unit 1] will not cause any flow or effluent quality limits of the facility's individual permit to be exceeded. I am aware that there are significant penalties for submitting false information including permit revocation as well as the possibility of fine and imprisonment for knowing violations.

A copy of the Sewage Treatment Capacity Assurance for Unit 1 is attached hereto as Exhibit "K" and incorporated herein by this reference. Upon information and belief, a copy of the Sewage Treatment Capacity Assurance for Unit 1 was submitted by Far West to Yuma County DDS. Spartan has reasonably relied upon the Sewage Treatment Capacity Assurance for Unit 1 provided by Far West.

34. On or about January 28, 2005, Kaveney executed (as General Superintendent of Far West) an ADEQ form captioned "Water Service Agreement and Sewer Service Agreement" for Sierra Ridge Unit 2 (the "Water and Sewer Service Agreement for Unit 2").¹⁰ Pursuant to the express language of the Water and Sewer Service Agreement for Unit 2, Far West provided an "unconditional agreement which is effective this date ... to provide water service to each and every lot [in Sierra Ridge Unit 2] in accordance within the design shown on the attached plats of the subdivision." Far West further agreed to "inspect this project during construction to assure compliance with plans and specifications approved by the Arizona Department of Environmental Quality and upon completion shall be responsible for maintenance and

¹⁰ See *supra* footnote 2.

operating the system." Further, Far West provided an "unconditional agreement ... to provide sewer service to each and every lot [in Sierra Ridge Unit 2] in accordance within the design shown on the attached plats of the subdivision." Further, Far West agreed to "inspect this project during construction to assure compliance with plans and specifications approved by the Arizona Department of Environmental Quality and upon completion shall be responsible for maintenance and operating the system." A copy of the Water and Sewer Service Agreement for Unit 2 is attached hereto as Exhibit "L" and incorporated herein by this reference. Spartan has reasonably relied upon the Water Service Agreement for Unit 2 provided by Far West.

35. On or about January 29, 2005, the Far West Representative executed (as General Superintendent of Far West) an ADEQ form captioned "Drinking Water Service Agreement" for Sierra Ridge Unit 2 (the "Drinking Water Service Agreement for Unit 2").¹¹ A copy of the Drinking Water Service Agreement for Unit 2 is attached hereto as Exhibit "M" and incorporated herein by this reference. Spartan has reasonably relied upon the Drinking Water Service Agreement for Unit 2 provided by Far West.

36. On or about January 29, 2005, the Far West Representative executed (as General Superintendent of Far West) an ADEQ form captioned "Capacity Assurance for Sewage Collection System" for Sierra Ridge Unit 2 (the "Sewage Collection Capacity Assurance for Unit 2").¹² The Sewage Collection Capacity Assurance for Unit 2 specifies a design flow for Sierra Ridge Unit 2 of .013 MGD and a downstream sewage collection system capacity of .200 MGD. The Sewage Collection Capacity Assurance for Unit 2 states as follows:

I, Mark Kaveney, certify that the sewer collection system identified in item "2b" can maintain the performance standards required under A.A.C. R18-9-

¹¹ See *supra* footnote 2.

¹² See *supra* footnote 2.

1 E301(B) for the increased flow from the proposed system or expansion
2 identified in item "1a" [Sierra Ridge Unit 2]. I am aware that there are
3 significant penalties for submitting false information including permit
4 revocation as well as the possibility of fine and imprisonment for knowing
5 violations.

6 A copy of the Sewage Collection Capacity Assurance for Unit 2 is attached hereto as
7 Exhibit "N" and incorporated herein by this reference. Upon information and belief, a
8 copy of the Sewage Collection Capacity Assurance for Unit 2 was submitted by Far
9 West to Yuma County DDS. Spartan has reasonably relied upon the Sewer Collection
10 Capacity Assurance for Unit 2 provided by Far West.

11 37. On or about January 29, 2005, Kaveney executed (as General
12 Superintendent of Far West) an ADEQ form captioned "Sewage Treatment Facility
13 Capacity Assurance" for Sierra Ridge Unit 2 (the "Sewage Treatment Capacity
14 Assurance for Unit 2").¹³ The Sewage Treatment Capacity Assurance for Unit 2
15 specifies the "Palm Shadows WWTP" as the sewage treatment facility for Sierra Ridge
16 Unit 2 with a permitted, approved and constructed capacity of .200 MGD and a total
17 design flow connected to the Palm Shadows WWTP at that time of .153 MGD, which
18 was less than the capacity of the Palm Shadows WWTP. Sierra Ridge Unit 2 has a
19 design flow of .013 MGD. The Sewage Treatment Capacity Assurance for Unit 2 states
20 as follows:

21 I, Mark Kaveney, affirm that the additional volume of sewage delivered to
22 the facility by the sewer collection system service the proposed subdivision
23 [Sierra Ridge Unit 2] will not cause any flow or effluent quality limits of
24 the facility's individual permit to be exceeded. I am aware that there are
25 significant penalties for submitting false information including permit
26 revocation as well as the possibility of fine and imprisonment for knowing
violations.

¹³ See *supra* footnote 2.

1 A copy of the Sewage Treatment Capacity Assurance for Unit 2 is attached hereto as
2 Exhibit "O" and incorporated herein by this reference. Upon information and belief, a
3 copy of the Sewage Treatment Capacity Assurance for Unit 2 was submitted by Far
4 West to Yuma County DDS. Spartan has reasonably relied upon the Sewage Treatment
5 Capacity Assurance for Unit 2 provided by Far West.

6 38. On or about January 29, 2005 (the "January 2005 Meeting"), Householder
7 met with the Far West Representative at the office of H & S Developers, Inc., at the
8 southwest corner of 44th Street and Foothills Boulevard. Upon information and belief,
9 Far West is an affiliate of H & S Developers, Inc. At the January 2005 Meeting, the Far
10 West Representative handed Householder executed copies of the following documents:

- 11 (i) Water and Sewer Service Agreement for Unit 1 (Exhibit H);
- 12 (ii) Drinking Water Service Agreement for Unit 1 (Exhibit I);
- 13 (iii) Sewage Collection Capacity Assurance for Unit 1 (Exhibit J);
- 14 (iv) Sewage Treatment Capacity Assurance for Unit 1 (Exhibit K);
- 15 (v) Water and Sewer Service Agreement for Unit 2 (Exhibit L);
- 16 (vi) Drinking Water Service Agreement for Unit 2 (Exhibit M);
- 17 (vii) Sewage Collection Capacity Assurance for Unit 2 (Exhibit N); and
- 18 (viii) Sewage Treatment Capacity Assurance for Unit 2 (Exhibit O).

19 39. At the January 2005 Meeting, the Far West Representative handed
20 Householder copies of Far West's form water main extension agreement ("Water
21 MXA") and form sewer collection main extension agreement ("Sewer MXA")
22 (collectively, "Main Extension Agreements"). The Far West Representative reviewed
23 with Householder the provisions of the Main Extension Agreements. As the parties
24 worked their way through the Main Extension Agreements, the Far West
25 Representative asked questions of Householder and filled in the blanks in Main
26 Extension Agreements by hand with specific information for Sierra Ridge Unit 1. The

1 Far West Representative informed Householder that Spartan would receive refunds of
2 advances in aid of construction for water and sewer infrastructure constructed and
3 provided by Spartan under each of the Main Extension Agreements.

4 40. The Far West Representative completed the Main Extension Agreements
5 for water and sewer service for Sierra Ridge Unit 1 at the January 2005 Meeting, and
6 the Far West Representative (on behalf of Far West) and Householder (on behalf of
7 Spartan) executed the Main Extension Agreements. The Far West Representative did
8 not provide copies of the executed Main Extension Agreements for Sierra Ridge Unit 1
9 to Householder. Rather, the Far West Representative told Householder that the Main
10 Extension Agreements needed to be submitted to and approved by the Commission.
11 The Far West Representative told Householder that Far West would provide copies of
12 the executed Main Extension Agreements to Householder once Far West received
13 approved copies back from the Commission. Upon information and belief, Far West
14 never submitted the Water MXA for Sierra Ridge Unit 1 to the Commission.

15 41. Sierra Ridge is the first residential development project undertaken by
16 Householder and Spartan. Householder had not previously reviewed main extension
17 agreements for water or sewer service and was not familiar with the Commission's rules
18 and procedures pertaining to the Main Extension Agreements.

19 42. In early 2005, YTE completed subdivision plans for Sierra Ridge Unit 1,
20 including engineering plans for water and sewer infrastructure. The subdivision plans
21 were approved for construction by Yuma County on or about February 10, 2005.

22 43. The Final Plat for Sierra Ridge Unit 1 was recorded with the Yuma
23 County Recorder on or about March 11, 2005 as Fee # 2005-10314 (Book 21, pages 23-
24 25).

25 44. Spartan contracted with Noll Construction Company to construct the
26 water distribution infrastructure and sewer collection infrastructure for Sierra Ridge

1 Unit 1. Noll Construction Company completed construction of the water distribution
2 infrastructure and the sewer collection infrastructure in or about March or April 2005.

3 45. On or about March 29, 2005, Yuma County DDS performed a Chlorine
4 Residual Test of the water distribution infrastructure for Sierra Ridge Unit 1. A copy of
5 the Chlorine Residual Test is attached hereto as Exhibit "P" and incorporated herein by
6 this reference. The Chlorine Residual Test showed an adequate chlorine residual within
7 Sierra Ridge Unit 1 as of the test date.

8 46. On or about March 29, 2005, Agri-Trend LLC performed a
9 microbiological analysis for total coliform on the water distribution system at lot 85 of
10 Sierra Ridge Unit 1. A copy of the microbiological analysis test results is attached
11 hereto as Exhibit "Q" and incorporated herein by this reference. The test results are
12 negative for total coliform.

13 47. On or about April 5, 2005, YTE performed a Water Line Pressure Test of
14 the water distribution infrastructure for Sierra Ridge Unit 1. A copy of the Water Line
15 Pressure Test Verification signed and sealed by YTE is attached hereto as Exhibit "R"
16 and incorporated herein by this reference. The Water Line Pressure Test showed that
17 there were no leaks within the water distribution system.

18 48. On or about April 15, 2005, ADEQ issued its Certificate of Approval of
19 Sanitary Facilities for Subdivision pertaining to the sewer collection infrastructure for
20 Sierra Ridge Unit 1. A copy of ADEQ's Certificate of Approval of Sanitary Facilities
21 for Subdivision is attached hereto as Exhibit "S" and incorporated herein by this
22 reference.

23 49. On or about April 12, 2007, Yuma County DDS issued an Approval of
24 Construction for the water distribution infrastructure for Sierra Ridge Unit 1. A copy of
25 the Approval of Construction for the water distribution system for Sierra Ridge Unit 1
26 is attached hereto as Exhibit "T" and incorporated herein by this reference. Upon

1 information and belief, Yuma County DDS inadvertently failed to issue the Approval of
2 Construction for approximately two years as a result of an oversight. The Approval of
3 Construction shows that all construction work and testing of the water distribution
4 infrastructure for Sierra Ridge Unit 1 was completed in or about April 2005.
5 Specifically, the Approval of Construction states that:

6 On 04/11/2005, Francisco Galindo, P.E. certified the following:

- 7 • A final construction inspection was conducted on 04/09/2005;
- 8 • The referenced project was constructed according to the approved
9 plans and specifications and YC DDS's Certificate of Approval to
10 Construct;
- 11 • Water system pressure and leakage tests were conducted on
12 04/05/2005 and the results were within the allowable leakage rates;
- 13 • The water distribution system was disinfected according to an
14 ADEQ-approved method; and
- 15 • Microbiological samples were collected and analyzed by Agri-Trend.
16 The sample results were negative for total coliform.

17 50. Upon information and belief, in or about April 2005, YTE provided
18 copies of documentation to Far West evidencing the construction, completion and
19 testing of the water distribution infrastructure and sewer collection infrastructure for
20 Sierra Ridge Unit 1.

21 51. In a letter from Far West to Yuma County DDS dated April 14, 2005, and
22 signed by the Far West Representative (the "Acceptance Letter"), the Far West
23 Representative (as General Superintendent of Far West) notified Yuma County DDS of
24 the following:

25 Far West Water & Sewer, Inc. is granted the Certificate of Convenience
26 and Necessity (CC&N) by the Arizona Corporation Commission to provide
water and sewer utility services to Sierra Ridge Units 1 & 2.

1 All necessary documents, test results, and as-built drawings have been
2 received by Far West Water & Sewer, Inc., and as such, Far West Water &
3 Sewer, Inc. accepts the completed improvements into the water and
wastewater system. Utility service can be requested for all lots as needed.

4 A copy of Far West's Acceptance Letter to Yuma Count DDS is attached hereto
5 as Exhibit "U" and incorporated herein by this reference.

6 52. Far West's Acceptance Letter evidences that the construction of the water
7 distribution infrastructure and the sewer collection infrastructure for Sierra Ridge Unit
8 1 was completed, that the construction was acceptable to Far West, and that Far West
9 accepted the infrastructure for Sierra Ridge Unit 1 into Far West's water and wastewater
10 system in April 2005.

11 53. Spartan paid approximately \$154,180 in engineering costs, construction
12 costs and taxes to construct the water distribution infrastructure for Sierra Ridge Unit 1.

13 54. Spartan paid approximately \$135,437 in engineering costs, construction
14 costs and taxes to construct the sewer collection infrastructure for Sierra Ridge Unit 1.

15 55. Upon information and belief, Far West lost the documentation evidencing
16 the construction, completion and testing of the water distribution infrastructure and
17 sewer collection infrastructure for Sierra Ridge Unit 1 which was submitted to Far West
18 by YTE in or about April 2005.

19 56. Upon information and belief, YTE transmitted to Far West duplicate
20 copies of documentation evidencing the construction, completion and testing of the
21 water distribution infrastructure and the sewer collection infrastructure for Sierra Ridge
22 Unit 1 on or about March 13, 2006, and again on or about April 14, 2007 (as indicated
23 by the handwritten date on the original copy). A copy of the March 13, 2006 and April
24 14, 2007 Letter of Transmittal ("Letter of Transmittal") from YTE to Sarah Philips
25 ("Philips"), an employee of Far West, is attached hereto as Exhibit "V" and
26

1 incorporated herein by this reference. The Letter of Transmittal reflects that the
2 following items were transmitted to Far West by YTE:

- 3 • Engineer's Design Report for water and sewer
- 4 • Certificate of approval to construct water facilities
- 5 • Water Adequacy Report
- 6 • Provisional Verification of General Permit Conformance for Sewage
- 7 Collection Systems
- 8 • Yuma Co. Chlorine Residual Test
- 9 • Agri-Trend LLC Microbiological Analysis
- 10 • Engineer's Certificate of Testing
- 11 • Water line Pressure Test Verification
- 12 • Capacity Assurance for Sewage Collection System
- 13 • Water Service Agreement and Sewer Service Agreement
- 14 • Drinking Water Service Agreement
- 15 • Subdivision Plat - book 21 of plats pages 23-25

16 57. Commencing in or about mid-2005 and continuing through April 2006,
17 Spartan constructed and sold 63 homes in Sierra Ridge Unit 1. All 63 homes have been
18 connected to Far West's water system and sewer system. Upon information and belief,
19 Far West provides water service and sewer service today to 63 homes in Sierra Ridge
20 Unit 1 using the water distribution infrastructure and sewer collection infrastructure
21 paid for and provided by Spartan.

22 58. Upon information and belief, for each of the 63 homes in Sierra Ridge
23 Unit 1, Spartan paid a water service establishment fee of \$25 and a sewer service
24 establishment fee of \$50. A representative billing invoice from Far West for lot 28 of
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1 Sierra Ridge Unit 1 showing these service establishment fees is attached hereto as
2 Exhibit "W" and incorporated herein by this reference.

3 59. Householder received a letter dated May 10, 2006, from an attorney
4 representing Far West (the "Attorney Letter"). A copy of the Attorney Letter is
5 attached hereto as Exhibit "X" and incorporated herein by this reference.
6 Notwithstanding the construction, testing and acceptance by Far West of the water
7 distribution and sewer collection infrastructure for Sierra Ridge Unit 1 (as evidenced by
8 Far West's Acceptance Letter dated more than a year earlier), and the fact that Far West
9 was already providing water and sewer service to approximately 63 residential
10 customers within Sierra Ridge Unit 1, the Attorney Letter purports to impose
11 requirements on Spartan as though the two parties had had no prior dealings and the
12 many events detailed in this Complaint had never occurred.¹⁴ The Attorney Letter
13 demonstrates the bad faith of Far West in dealing with Spartan. The Attorney Letter
14 directly conflicts with the Acceptance Letter issued more than a year earlier, and
15 disregards the extensive course of dealing between Spartan and Far West.

16 60. Upon information and belief, Far West operates seven sewer treatment
17 plants as part of its sewer system. In February and March 2006, ADEQ issued notices
18 of violations ("NOVs") of applicable regulations pertaining to six of the seven sewer
19 treatment plants owned and operated by Far West. These violations included operating
20 sewer treatment plants without proper permits, providing and applying reclaimed sewer
21 for direct use without proper reuse permits, exceeding discharge permits for total
22 nitrogen, failure to conduct sampling, and emissions of odorous materials causing air
23 pollution. On or about October 31, 2006, ADEQ issued a Consent Order ("Consent
24 Order") in Docket No. P-105-06 addressing the NOV's and establishing a compliance
25 schedule and stipulated penalties for failure to comply with the compliance schedule. A
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1 copy of the Consent Order is attached hereto as Exhibit "Y" and incorporated herein by
2 this reference.

3 61. As a result of violations by Far West at its sewer treatment plants, Yuma
4 County DDS ceased issuing building permits for new construction in Far West's CC&N
5 in or about mid-April 2006. This in turn forced Spartan to suspend sales of new homes
6 and construction activities within Sierra Ridge. Spartan has been unable to construct
7 homes on the 50 remaining lots in Sierra Ridge Unit 1 or any of the 60 lots in Sierra
8 Ridge Unit 2 because Far West cannot or will not provide sewer service. For the same
9 reason, Spartan has been unable to sell the Commercial Property. As a result of the
10 actions of Far West, Spartan has incurred financial losses and increased costs exceeding
11 \$500,000.

12 62. Sewage from the existing 63 customers in Sierra Ridge Unit 1 flows to
13 Far West's Palm Shadows sewer treatment plant ("Palm Shadows WWTP"). While the
14 May 10, 2006, Attorney Letter stated that "Far West is in the process of designing and
15 installing improvements that will allow additional wastewater flows to be treated at
16 Palm Shadows," upon information and belief, the Palm Shadows WWTP remains out of
17 compliance today and the installation of the necessary improvements has yet to occur,
18 nearly two years after the date of the Attorney Letter.

19 63. In or about April 2006, Householder learned that Far West had never
20 submitted the Water MXA for Sierra Ridge Unit 1 to the Commission, notwithstanding
21 the fact that the Far West Representative told Householder that the Water MXA would
22 be submitted to the Commission for approval.

23 64. In or about April 2006, Householder contacted the Far West
24 Representative to obtain copies of the Main Extension Agreements. The Far West
25
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1 Representative told Householder that he would first need to contact Sarah¹⁵ to obtain
2 copies of the Main Extension Agreements.

3 65. In or about April 2006, Householder met with Philips at Far West's office
4 on the southeast corner of 44th Street and Foothills Boulevard and requested copies of
5 the Main Extension Agreements. Householder watched while Philips looked through a
6 bankers box of main extension agreements which were arranged in labeled folders.
7 Householder observed that there was a file folder labeled "Sierra Ridge" but he could
8 see that it was empty. Philips told Householder that she would continue to look for the
9 Main Extension Agreements and also talk again to the Far West Representative.
10 Shortly after that, Householder spoke to Philips by telephone and Philips told
11 Householder that she was not able to locate copies of the Main Extension Agreements.
12 Philips told Householder that she would search the office of H & S Developers where
13 the Main Extension Agreements were signed. Shortly thereafter, Householder spoke to
14 Philips by telephone again and Philips told Householder that she was not able to find
15 the Main Extension Agreements.

16 66. In or about late May 2006, Far West called a meeting of developers
17 developing within Far West's CC&N. At that meeting, Far West and its outside
18 engineering firm advised the attendees that Yuma County DDS would resume issuing
19 building permits in late August or September 2006. Far West stated that a follow-up
20 meeting would be called in July 2006 to provide further updates. Upon information and
21 belief, no meeting was scheduled in July, and multiple calls by Householder to Far
22 West regarding the status of compliance at Far West's Palm Shadows WWTP were not
23 returned.

24
25 ¹⁵ Householder did not know the last name of "Sarah," but upon information and belief, now believes
26 "Sarah" to be the "Sarah Philips" that is identified in Paragraph ___ of this Complaint. Thus, "Sarah" will
be referred to hereinafter as "Philips."

1 67. In or about June 2006, Householder contacted the Commission's
2 Consumer Services representative ask whether the Commission had copies of the Main
3 Extension Agreements. After searching, the Commission's Consumer Services
4 representative responded that he had not found copies of Main Extension Agreements
5 for Sierra Ridge Unit 1 on file with the Commission.

6 68. In or about September 2006, Far West communicated with the affected
7 developers that problems at Far West's sewer treatment plants were being addressed,
8 and that Yuma County DDS would be able to resume issuing building permits by late
9 2006. From September 2006 through the end of 2006, Householder made many
10 attempts to contact Far West regarding Spartan's inability to obtain building permits,
11 but Far West refused to respond to Householder's many calls.

12 69. Unable to obtain building permits from Yuma County DDS as a result of
13 Far West's compliance deficiencies, Spartan closed its sales models at Sierra Ridge Unit
14 1 in late 2006. Spartan cancelled approximately 15 existing sales contracts for new
15 homes. Spartan has been unable to sell any homes in Sierra Ridge Unit 1 since March
16 2006. Spartan was also forced to shelve plans to construct Sierra Ridge Unit 2 (60
17 additional residential lots) and to develop or sell the Commercial Property.

18 70. Upon information and belief, Far West has continued to provide sewer
19 connections to 35 or more new homes or structures in the vicinity of the Spartan
20 Property from approximately August 2006 through the date of this Complaint.
21 However, Far West has refused to provide sewer service to additional connections
22 within Sierra Ridge Unit 1. A partial list of Far West's sewer connections since
23 approximately August 2006 is attached hereto as Exhibit "Z" and incorporated herein
24 by this reference.

25 71. In or about April 2007, Householder contacted Andrew J. Capestro
26 ("Capestro"), general counsel for Far West, in another attempt to obtain copies of the

1 Main Extension Agreements for Sierra Ridge Unit 1, or alternatively, to request that Far
2 West prepare and execute replacement main extension agreements duplicating the
3 originals if the originals could not be found. Capestro responded that Far West did not
4 have copies of the Main Extension Agreements, and that Far West would only execute
5 new main extension agreements for Sierra Ridge Unit 1 if Spartan agreed to pay hook-
6 up fees totaling approximately \$2,940 per lot for each of the remaining 50 lots in Sierra
7 Ridge Unit 1. Further, Capestro told Householder that the hook-up fees, totaling
8 approximately \$147,000 (\$2,940 times 50 lots), would have to be paid in advance by
9 Spartan before any additional utility service would be provided. Capestro showed
10 Householder copies of the new main extension agreements for Sierra Ridge on his
11 computer screen, but when Householder asked Capestro to e-mail copies of the main
12 extension agreements to Householder so that Householder could have his attorney
13 review the agreements, Capestro told Householder that Spartan would first need to
14 provide copies of engineering plans, approvals to construct, approvals of construction,
15 test results and related items for the water distribution infrastructure and sewer
16 collection infrastructure for Sierra Ridge Unit 1. When Householder responded that all
17 of this documentation had been provided to Far West previously on multiple occasions,
18 Capestro told Householder that Far West did not have any of the documentation.
19 Householder asked Capestro if Far West had lost this information and Capestro
20 responded "yes."

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JURISDICTION

72. The Commission has jurisdiction over this Complaint pursuant to A.R.S. § 40-321(A) which provides as follows:

When the commission finds that the equipment, appliances, facilities or service of any public service corporation, or the methods of manufacture, distribution, transmission, storage or supply employed by it, are unjust, unreasonable, unsafe, improper, inadequate or insufficient, the commission shall determine what is just, reasonable, safe, proper, adequate or sufficient, and shall enforce its determination by order or regulation.

73. The Commission has jurisdiction over this Complaint pursuant to A.R.S. § 40-331(A) which provides as follows:

When the commission finds that additions or improvements to or changes in the existing plant or physical properties of a public service corporation ought reasonably to be made, or that a new structure or structures should be erected, to promote the security or convenience of its employees or the public, the commission shall make and serve an order directing that such changes be made or such structure be erected in the manner and within the time specified in the order. If the commission orders erection of a new structure, it may also fix the site thereof.

74. In addition to the statutes cited above, the Commission has jurisdiction over this Complaint pursuant to A.R.S. §§ 40-246, 40-334(A), 40-361 and 40-421 *et seq.*, and Article 15, §§ 3, 4, 12 and 19 of the Arizona Constitution.

COUNT I: VIOLATION OF A.A.C. R14-2-406(C)(2)

75. Spartan hereby incorporates by reference the allegations contained in Paragraphs 1-74 of this Complaint.

76. A.A.C. R14-2-406(C)(2) states:

Each applicant shall be provided with a copy of the written main extension agreement.

1 77. Far West and Spartan executed a Water MXA for Sierra Ridge Unit 1 on
2 or about January 29, 2005.

3 78. Far West did not provide Spartan with a copy of the Water MXA at the
4 time it was executed on or about January 29, 2005.

5 79. Spartan has requested a copy of the Water MXA from Far West on
6 multiple occasions since January 29, 2005.

7 80. Far West has failed and/or refuses to provide a copy of the executed
8 Water MXA for Sierra Ridge Unit 1 in violation of A.A.C. R14-2-406(C)(2).

9 **COUNT II: VIOLATION OF A.A.C. R14-2-406(D) AND (E)**

10 81. Spartan hereby incorporates by reference the allegations contained in
11 Paragraphs 1-80 of this Complaint.

12 82. A.A.C. R14-2-406(D) and (E) require that Far West make refunds of
13 advances in aid of construction to Spartan for water infrastructure constructed by
14 Spartan to serve Sierra Ridge Unit 1 and accepted by Far West in 2005 as evidenced by
15 Far West's April 14, 2005, Acceptance Letter.

16 83. Upon information and belief, Far West commenced providing water
17 service to customers in Sierra Ridge Unit 1 in or about 2005 and currently provides
18 water service to approximately 63 customers residing in Sierra Ridge Unit 1.

19 84. Upon information and belief, Far West charges customers for water
20 service within Sierra Ridge Unit 1 and receives revenue from those customers.

21 85. Far West has not made any refund payments to Spartan for advances in
22 aid of construction in violation of A.A.C. R14-2-406(D) and (E).

23 **COUNT III: VIOLATION OF A.A.C. R14-2-406(G)**

24 86. Spartan hereby incorporates by reference the allegations contained in
25 Paragraphs 1-85 of this Complaint.
26

1 87. A.A.C. R14-2-406(G) states:

2 **All agreements entered into under this rule shall be evidenced by**
3 **a written statement, and signed by the Company and the parties**
4 **advancing the funds for advances in aid under this rule or the**
5 **duly authorized agent of each.**

6 88. Far West currently provides water service to approximately 63 customers
7 residing in Sierra Ridge Unit 1. Far West is currently utilizing water distribution
8 infrastructure constructed by Spartan and accepted by Far West in 2005 as evidenced by
9 Far West's April 14, 2005, Acceptance Letter.

10 89. In the event the Commission determines that no written water main
11 extension agreement exists for Sierra Ridge Unit 1, then Far West is in violation of
12 A.A.C. R14-2-406(G) because it has accepted water distribution infrastructure from
13 Spartan for Sierra Ridge Unit 1 which Far West is using to provide water service to
14 customers without a signed written statement evidencing the agreement.

15 **COUNT IV: VIOLATION OF A.A.C. R14-2-406(M)**

16 90. Spartan hereby incorporates by reference the allegations contained in
17 Paragraphs 1-89 of this Complaint.

18 91. A.A.C. R14-2-406(M) states:

19 **All agreements under this rule shall be filed with and approved**
20 **by the Utilities Division of the Commission. No agreement shall**
21 **be approved unless accompanied by a Certificate of Approval to**
22 **construct as issued by the Arizona Department of Health**
23 **Services. Where agreements for main extensions are not filed**
24 **and approved by the Utilities division, the refundable advance**
25 **shall be immediately due and payable to the person making the**
26 **advance.**

92. Far West and Spartan entered into a Water MXA for Sierra Ridge Unit 1
on or about January 29, 2005.

1 93. Spartan paid \$154,180 in engineering costs, construction costs and taxes
2 to construct the water distribution system for Sierra Ridge Unit 1. Far West accepted
3 the water infrastructure for Sierra Ridge Unit 1 in 2005 as evidenced by Far West's
4 April 14, 2005, Acceptance Letter. Far West is using this water distribution
5 infrastructure to provide water service to approximately 63 customers residing in Sierra
6 Ridge Unit 1.

7 94. Upon information and belief, Spartan never submitted the Water MXA to
8 the Commission for approval in violation of A.A.C. R14-2-406(M).

9 95. The \$154,180 paid by Spartan to construct the water distribution
10 infrastructure for Sierra Ridge Unit 1 constitutes an advance in aid of construction
11 under A.A.C. R14-2-406. Spartan is entitled to immediate reimbursement from Far
12 West in the amount of \$154,180 under A.A.C. R14-2-406(M) because Far West failed
13 to file the Water MXA for Sierra Ridge Unit 1 with the Commission's Utilities Division
14 and failed to obtain approval of the Water MXA from the Utilities Division.

15 **COUNT V: VIOLATION OF A.A.C. R14-2-606(A)(5)**

16 96. Spartan hereby incorporates by reference the allegations contained in
17 Paragraphs 1-95 of this Complaint.

18 97. A.A.C. R14-2-606(A)(5) states:

19 **All collection main extension agreements requiring payment by**
20 **the applicant shall be in writing and signed by each party before**
21 **the utility commences construction.**

22 98. Far West currently provides sewer service to approximately 63 customers
23 residing in Sierra Ridge Unit 1. Far West is currently utilizing sewer collection
24 infrastructure constructed by Spartan and accepted by Far West in 2005 as evidenced by
25 Far West's April 14, 2005 Acceptance Letter.
26

1 99. In the event the Commission determines that no written sewer collection
2 main extension agreement exists for Sierra Ridge Unit 1, then Far West is in violation
3 of A.A.C. R14-2-606(A)(5) because it has accepted sewer collection infrastructure from
4 Spartan which Far West is using to provide sewer service to customers without a signed
5 written agreement.

6 **COUNT VI: VIOLATION OF A.A.C. R14-2-606(B)(2)**

7 100. Spartan hereby incorporates by reference the allegations contained in
8 Paragraphs 1-99 of this Complaint.

9 101. A.A.C. R14-2-606(B)(2) states:

10 **Each applicant shall be provided with a copy of the written**
11 **collection main extension agreement.**

12 102. Far West and Spartan executed a Sewer MXA for Sierra Ridge Unit 1 on
13 or about January 29, 2005.

14 103. Far West did not provide Spartan with a copy of the Sewer MXA at the
15 time it was executed on or about January 29, 2005.

16 104. Spartan has requested a copy of the Sewer MXA from Far West on
17 multiple occasions since January 29, 2005.

18 105. Far West has failed and/or refuses to provide a copy of the executed
19 Sewer MXA for Sierra Ridge Unit 1 in violation of A.A.C. R14-2-606(B)(2).

20 **COUNT VII: VIOLATION OF A.A.C. R14-2-606(C)**

21 106. Spartan hereby incorporates by reference the allegations contained in
22 Paragraphs 1-105 of this Complaint.

23 107. A.A.C. R14-2-606(C) requires that Far West make refunds of advances in
24 aid of construction to Spartan.

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1 108. Upon information and belief, Far West commenced providing sewer
2 service to customer in Sierra Ridge Unit 1 in or about 2005 and currently provides
3 sewer service to approximately 63 customers residing in Sierra Ridge Unit 1.

4 109. Upon information and belief, Far West charges customers for sewer
5 service within Sierra Ridge Unit 1 and receives revenue from those customers.

6 110. Far West has not made any refund payments to Spartan for advances in
7 aid of construction in violation of A.A.C. R14-2-606(C).

8 **COUNT VIII: VIOLATION OF A.R.S. § 40-334(A)**

9 111. Spartan hereby incorporates by reference the allegations contained in
10 Paragraphs 1-110 of this Complaint.

11 112. A.R.S. § 40-334(A) states:

12 **A public service corporation shall not, as to rates, charges,**
13 **service, facilities or in any other respect, make or grant any**
14 **preference or advantage to any person or subject any person to**
15 **any prejudice or disadvantage.**

16 113. Upon information and belief, Far West permitted many connections of
17 new homes to its sewer system by other developers in the vicinity of the Spartan
18 Property from approximately August 2006 through the date of this Complaint but has
19 refused to provide sewer service to new connections within Sierra Ridge Unit 1.

20 114. Far West's refusal to permit new sewer connections in Sierra Ridge Unit 1
21 while permitting new sewer connections in other subdivisions in the vicinity of Sierra
22 Ridge Unit 1 is a "preference or advantage" in services and facilities which is prohibited
23 under A.R.S. § 40-334(A).

24 115. Far West's refusal to permit new sewer connections in Sierra Ridge Unit 1
25 while permitting new sewer connections in other subdivisions in the vicinity of Sierra
26 Ridge Unit 1 subjects Spartan to "prejudice or disadvantage" which is prohibited under
A.R.S. § 40-334(A).

COUNT IX: VIOLATION OF A.R.S. § 40-361(B)

116. Spartan hereby incorporates by reference the allegations contained in Paragraphs 1-115 of this Complaint.

117. A.R.S. § 40-361(B) states:

Every public service corporation shall furnish and maintain such service, equipment and facilities as will promote the safety, health, comfort and convenience of its patrons, employees and the public, and as will be in all respects adequate, efficient and reasonable.

118. As evidenced by the Consent Order and the facts alleged in this Complaint, Far West has failed to operate its Palm Shadows WWTP and other sewer treatment plants in a way which promotes the "safety, health, comfort and convenience of its patrons, employees and the public" in violation of A.R.S. § 40-361(B).

119. As evidenced by the Consent Order and the facts alleged in this Complaint, Far West is not providing sewer service which is "in all respects adequate, efficient and reasonable" in violation of A.R.S. § 40-361(B).

COUNT X: ESTOPPEL

120. Spartan hereby incorporates by reference the allegations contained in Paragraphs 1-119 of this Complaint.

121. Spartan initially planned to install individual on-site septic systems to provide sewer service in Sierra Ridge. Spartan completed percolation tests and obtained approval from Yuma County DDS to use individual on-site septic systems. Spartan had the legal right to use individual on-site septic systems, and in fact, designed its lot sizes at Sierra Ridge Unit 1 to accommodate individual on-site septic systems.

122. Based upon Far West's representations and commitments to Spartan that (i) Far West had adequate existing sewage treatment capacity for Sierra Ridge; and (ii) Far West would not charge Spartan sewer hook-up fees for lots within Sierra Ridge,

Spartan agreed to allow Far West to provide sewer service to Sierra Ridge, foregoing its legal right to install individual on-site septic systems within Sierra Ridge.

123. Spartan relied upon the representations and commitments of Far West that (i) Far West had adequate existing sewage treatment capacity for Sierra Ridge; and (ii) Far West would not charge Spartan sewer hook-up fees for lots within Sierra Ridge, and it was reasonable for Spartan to rely upon these representations and commitments.

124. Based on its conduct, Far West should be estopped from (i) requiring sewer hook-up fees for the Spartan Property, including the remaining 50 lots in Sierra Ridge Unit 1, the lots in Sierra Ridge Unit 2 and the Commercial Property; and (ii) refusing sewer service for new sewer connections within Sierra Ridge.

CORPORATE ADDRESS AND CORRESPONDENCE

125. Spartan's corporate address, telephone number, and facsimile number are as follows:

Spartan Homes & Construction, Inc.
11858 Via Loma Vista
Yuma, Arizona 85367
Phone: (928) 342-3329

126. All correspondence and pleadings regarding this matter should be directed to Spartan's attorneys as follows:

Jeffrey W. Crockett, Esq.
Bradley S. Carroll, Esq.
SNELL & WILMER L.L.P.
400 East Van Buren
One Arizona Center
Phoenix, Arizona 85004-2202
Phone: (602) 382-6234
Fax: (602) 382-6070

RELIEF REQUESTED

WHEREFORE, Spartan requests that the Commission enter its decision in this Complaint proceeding as follows:

A. Ordering Far West to search its files and produce copies of the executed Water MXA and Sewer MXA for Sierra Ridge Unit 1. In the event that Far West cannot locate copies of the executed Main Extension Agreements after a diligent search, Spartan requests that the Commission order Far West to prepare a Water MXA and Sewer MXA which duplicate the terms of the original Main Extension Agreements, based upon main extension agreements that were executed by Far West (and approved by the Commission) with other developers in or about January 2005.

B. Finding that Far West may lawfully provide sewer service to the Spartan Property on the basis that the property is contiguous to Far West's existing certificated territory pursuant to A.R.S. § 40-281(B). Alternatively, in the event the Commission finds that Far West may not lawfully serve the Spartan Property pursuant to the so-called run-along right pursuant to A.R.S. § 40-281(B), then Spartan requests that the Commission order Far West to file an expedited application to extend its sewer CC&N to include the Spartan Property.

C. Prohibiting Far West from assessing sewer hook-up fees against Spartan for sewer service within the Spartan Property on the grounds that: (i) the hook-up fees are not tariffed fees under Far West's sewer tariff; (ii) the hook-up fees were not assessed under the Sewer MXA for Sierra Ridge Unit 1; and (iii) Far West is estopped from assessing sewer hook-up fees for Sierra Ridge Unit 2 or the Commercial Property.

D. Finding that Far West violated A.A.C. R14-2-406(M) by failing to submit the Water MXA to the Utilities Division for approval, and ordering that Far West immediately refund to Spartan the amount of \$154,180, which is the value of the water distribution infrastructure for Sierra Ridge Unit 1. Alternatively, if the Commission

declines to order the immediate refund of \$154,180 to Spartan, then Spartan requests that the Commission order Far West to begin making refunds of advances in aid of construction for water distribution infrastructure within Sierra Ridge Unit 1 in accordance with A.A.C. R14-2-406(D).

E. Ordering Far West to begin making refunds of advances in aid of construction for sewer collection infrastructure within Sierra Ridge Unit 1 in accordance with A.A.C. R14-2-606.

F. Finding that Far West has violated A.A.C. R14-2-406(C)(2), or alternatively, R14-2-406(G); R14-2-406(D) and (E); R14-2-406(M); R14-2-606(A)(5); R14-2-606(B)(2); R14-2-606(C); A.R.S. § 40-334(A); and A.R.S. §40-361(B).

G. Imposing fines and penalties against Far West for the violations alleged in this Complaint pursuant to A.R.S. §§ 40-421 *et seq.*

H. Providing such other relief as the Commission deems just and reasonable.

RESPECTFULLY submitted this 20th day of May, 2008.

SNELL & WILMER

By: 

Jeffrey W. Crockett, Esq.

Bradley S. Carroll, Esq.

400 East Van Buren

One Arizona Center

Phoenix, Arizona 85004-2202

Attorneys for Spartan Homes &
Construction, Inc.

ORIGINAL and thirteen (13) copies of the
foregoing Complaint filed with Docket
Control this 20th day of May, 2008.

1 COPY of the foregoing Complaint hand-
2 delivered this 20th day of May, 2008 to:

3 Chairman Mike Gleason
4 Commissioner William A. Mundell
5 Commissioner Jeff Hatch-Miller
6 Commissioner Kristin K. Mayes
7 Commissioner Gary Pierce
8 ARIZONA CORPORATION COMMISSION
9 1200 W. Washington Street
10 Phoenix, Arizona 85007

11 Lyn A. Farmer, Chief Hearing Officer
12 ARIZONA CORPORATION COMMISSION
13 1200 West Washington Street
14 Phoenix, Arizona 85007

15 Ernest Johnson, Director
16 Utilities Division
17 ARIZONA CORPORATION COMMISSION
18 1200 West Washington Street
19 Phoenix, Arizona 85007

20 Janice Alward, Chief Counsel
21 Legal Division
22 ARIZONA CORPORATION COMMISSION
23 1200 West Washington Street
24 Phoenix, Arizona 85007

25 Jay L. Shapiro, Esq.
26 FENNEMORE CRAIG, P.C.
3003 N. Central Avenue, Suite 2600
Phoenix, Arizona 85012-2913

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List of Exhibits

- Exhibit A - Map depicting CC&N of Far West in Township 9 South, Range 21 West
- Exhibit B - Far West Policies and Procedures
- Exhibit C - Soils Borings and Percolation Test Results
- Exhibit D - Water Adequacy Report for Sierra Ridge
- Exhibit E - Approval to Install Individual On-Site Septic Systems
- Exhibit F - Certificate of Approval to Construct Water Facilities for Unit 1
- Exhibit G - Provisional Verification of General Permit Conformance for Sewage Collection System for Sierra Ridge Unit 1
- Exhibit H - Water and Sewer Service Agreement for Unit 1
- Exhibit I - Drinking Water Service Agreement for Unit 1
- Exhibit J - Sewage Collection Capacity Assurance for Unit 1
- Exhibit K - Sewage Treatment Capacity Assurance for Unit 1
- Exhibit L - Water and Sewer Service Agreement for Unit 2
- Exhibit M - Drinking Water Service Agreement for Unit 2
- Exhibit N - Sewage Collection Capacity Assurance for Unit 2
- Exhibit O - Sewage Treatment Capacity Assurance for Unit 2
- Exhibit P - Chlorine Residual Test Results
- Exhibit Q - Microbiological Analysis for Total Coliform
- Exhibit R - Water Line Pressure Test Verification
- Exhibit S - Certificate of Approval of Sanitary Facilities for Subdivision

- 1 Exhibit T - Letter from Far West to Yuma County DDS dated April 14, 2005
- 2 Exhibit U - Approval of Construction
- 3 Exhibit V - March 13, 2006 Letter of Transmittal
- 4 Exhibit W - Representative Far West Invoice for Sierra Ridge Unit 1 Lot 28
- 5 Exhibit X - Attorney Letter dated May 10, 2006
- 6 Exhibit Y - ADEQ Consent Order
- 7 Exhibit Z - Partial List of Sewer Connections Since August 2006
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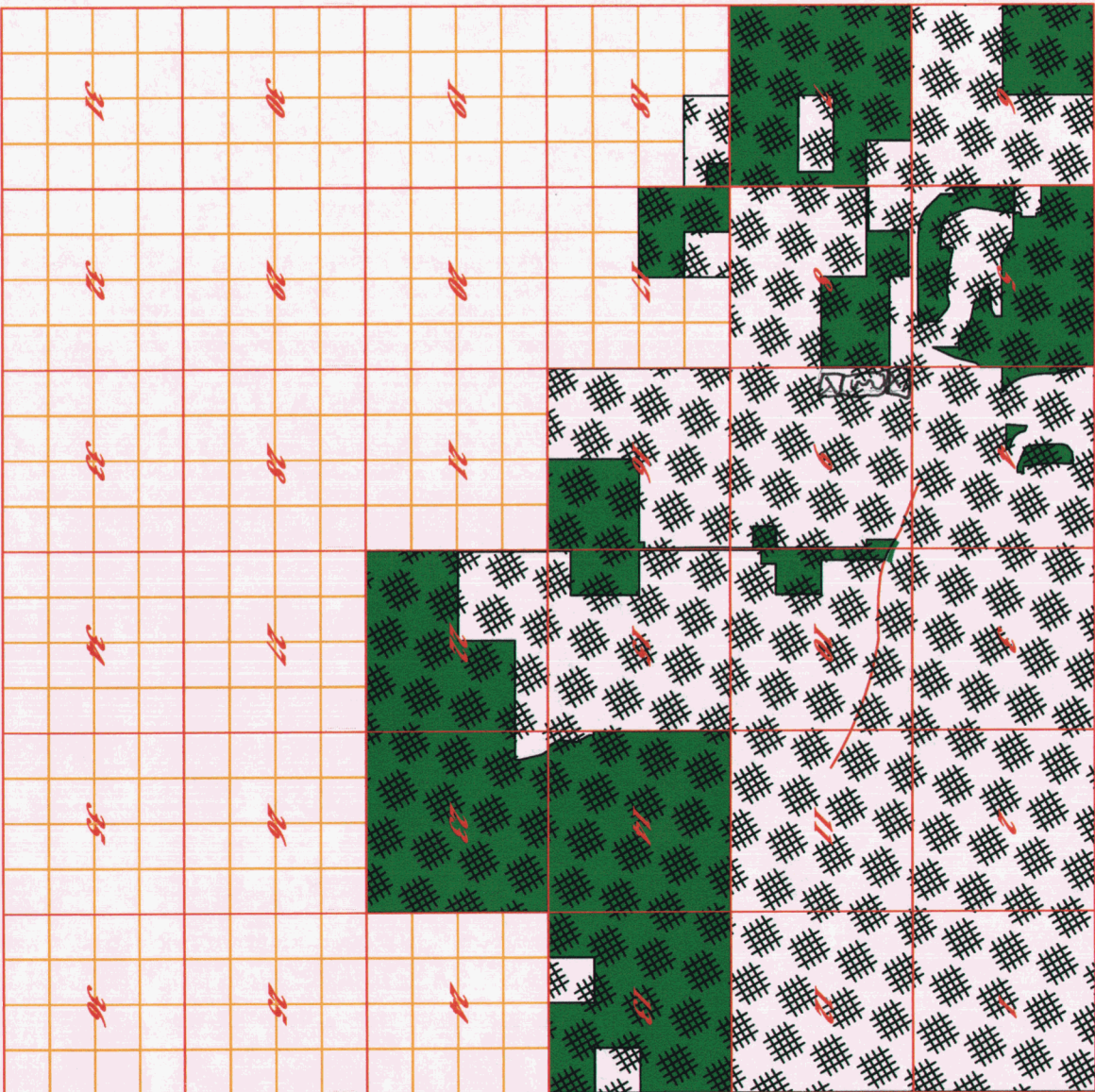
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EXHIBIT A

COUNTY

Yuma

RANGE 21 West



TOWNSHIP

9 South

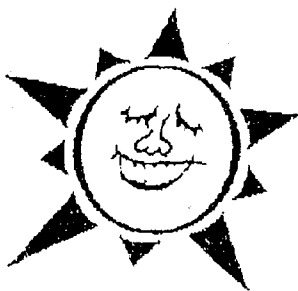


WS-3478 (2)
Far West Water & Sewer, Inc.



Sewer

EXHIBIT B



FAR WEST WATER & SEWER, INC.
12486 S FOOTHILLS BLVD
YUMA AZ 85367

FAX COVER

TO: Brian

FAX: 342-3329 *Edocket.net*

FROM: Ally Campbell

PAGES: 1 INCLUDING COVER

MESSAGE:

Development Procedures

THE FOOTHILLS
Where Everyday's A "Sun" Day

FAR WEST WATER & SEWER, INC.

DEVELOPMENT POLICY & PRODEDURES 2003

TO: ALL DEVELOPERS REQUESTING WATER/SEWER SERVICE TO FAR WEST FACILITIES

Far West Water & sewer is authorized and governed by the Arizona Corporation Commission to provide water & sewer utility service within its Certificate of Convenience and Necessity (CC&N) area. Far West does not perform engineering services for developers desiring connection to their facilities. Far West Water & Sewer, prior to service connections for water or sewer, must receive the following:

Water:

- Signed Main Extension Agreement with Developer
- Cost Breakdown of Line Extension & Services
- Engineer's Design Report
- Subdivision Plat (Recorded)
 - 3 copies on Engineering Paper
 - 1 disk copy using AutoCad
- ADEQ Certificate of Approval to Construct
- ADEQ Approval of Construction
- ADWR Water Adequacy Report
- Yuma County Disinfection Test Results
- AS-Built Drawings
 - Disk Copy using AutoCad
 - 1 Copy on Engineering Paper
- Engineer's certification of completion and copies of all pressure test results

Sewer:

- Engineer's Design Report
- Subdivision Plat (Recorded)
 - 2 copies on Engineering Paper
 - 1 disk copy using AutoCad
- ADEQ Certificate of Approval to Construct
- ADEQ Approval of Construction
- AS-Built Drawings
 - Disk Copy using AutoCad
 - 1 Copy on Engineering Paper
- Engineer's certification of completion and copies of all leakage test results using latest ADEQ's testing procedure.
- **Sewer line certification must be performed after all utilities (gas, phone, cable, electric) are completed and backfilled. No service will be activated until such certification is received.**

Engineer-of-record is responsible for compliance with all regulations and testing.

Approved Construction Materials

Water:

- All valves to be Watrous/AFC
- All fire hydrants to be Watrous
- All brass fittings (corporation stops, angle stops) to be James Jones
- All main pipe to be either blue C-900 or DIP
- All service line piping to be Schedule 40 PVC or greater

Valves to be placed at each intersection of main lines and no further apart than 600 feet.

Sewer:

- All main line piping to be green SDR-35 or DIP

After sewer line testing has been completed, any water used must not be released to the existing collection system. All new lines will be flushed and cleaned of any sand or debris prior to using existing collection system.

Construction Notification & Coordination

Far West Water & Sewer is to be notified prior to start of construction and when testing is being conducted. Far West personnel will conduct periodic inspections and notify the engineer-in-charge if any discrepancies or problems are noticed. Far West personnel will have the authority to witness and verify any tests should they desire. Failure to notify Far West during testing will require tests to be redone and verified.

Your adherence to this policy is appreciated. Should you have any questions, please feel free to contact either Murphy Campbell or Dusty Thomas at 342-1238.

**FAR WEST WATER & SEWER, INC.****Check List for Development
Far West Water & Sewer, Inc. Service Area****Prior to Construction:**

1. Submit a set of Yuma County approved plans to Far West Water & Sewer, Inc. for review.
2. Obtain an "Approved Materials List" from Far West Water & Sewer, Inc.
3. Contact Far West Water & Sewer, Inc. at least 48hrs prior to the start of construction to schedule a pre-construction meeting.
4. Water:
 - Submit the following:
 - ADEQ Certificate of Approval to Construct
 - ADWR Water Adequacy Report
5. Sewer:
 - Submit the following:
 - ADEQ Approval of Construction (Sewer)
 - ADEQ Certificate of Approval to Construct

During Construction:

1. Contact Far West Water & Sewer, Inc. for inspections of the following:
 - A. All live line taps
 - B. All blocking (before & after pouring)
 - C. Prior to backfill of main lines
 - D. Prior to backfill of sewer lines and manholes
2. Contact Far West Water & Sewer, Inc. when performing pressure test.
3. Contact Far West Water & Sewer, Inc. for final walk-thru inspection upon completion.

Post Construction:

1. Receive a signed acceptance letter from Far West Water & Sewer, Inc. (see attached)

12486 S. Foothills Blvd. • Yuma, Arizona 85367 • Tel 928-342-1238 • Fax 928-342-7108



FAR WEST WATER & SEWER, INC.

(Date)

Yuma County Development Services
2703 S. Avenue B
Yuma, AZ 85364

RE: (Name of Development)
(Address)
Far West Water & Sewer, Inc Acceptance Letter

To Whom It May Concern:

Far West Water & Sewer, Inc. is granted the Certificate of Convenience and Necessity (CC&N) by the Arizona Corporation Commission to provide water and sewer utility services to: (Name of Development).

All necessary documents, test results, and as-builts have been received by Far West Water & Sewer, Inc., and as such Far West Water & Sewer, Inc. accepts the completed improvements in (Name of Development) into the water and wastewater system. Utility services can be requested for all lots as needed.

Should you have any questions or concerns, please contact me at 928-342-1238.

Sincerely,

Murphy Campbell
General Superintendent

12486 S. Foothills Blvd. • Yuma, Arizona 85367³ • Tel 928-342-1238 • Fax 928-342-7108

EXHIBIT C

YUMA TERRITORIAL ENGINEERING*Vision and Excellence in Civil Engineering***SOILS BORINGS AND PERCOLATION TEST RESULTS****RECEIVED**Name of Property Owner: Sierra Ridge Unit 1 & 2

APR 17 2008

Contractor's Name: _____

SNELL & WILMERParcel Number/Address: A portion of APN 1060-05-022ADepth to Seasonal Groundwater: Not FoundDepth to Bedrock: Not FoundTests Location: #1 35' south from the north property line, 520' east from the west property line.#2 275' south from the north property line, 290' east from the west property line.#3 275' south from the north property line, 240' west from the east property line.**SOILS BORINGS**

Test Hole Number	Date of Boring	Depth of Hole (ft)	Depth Feet/Soil Texture For example: 0-1 Ft./Clay, 2-4 ft. Medium Sand, etc.
#1	07/19/04	3'	0' - 3' Medium Sand
#2	07/19/04	3'	0' - 3' Medium Sand
#3	07/19/04	3'	0' - 3' Medium Sand

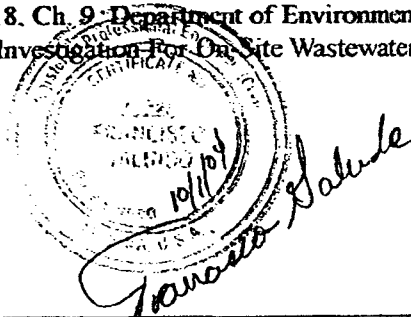
PERCOLATION TEST REPORT

Test Hole Number	Date of Boring	Depth of Water (ft)	Stabilized Percolation Rate Minutes per Inch
#1	07/19/04	1'	1.5 Minutes Per Inch
#2	07/19/04	1'	1.0 Minutes Per Inch
#3	07/19/04	1'	2.0 Minutes Per Inch

I hereby certify that:

The soils borings and percolation tests were conducted in accordance with the requirements of the Arizona Administrative Code Title 18, Ch. 9, Department of Environmental Quality - Water Pollution Control, Article 3., Part A., Section R18-9-A310, Site Investigation For On-Site Wastewater Treatment Facilities.

Seal:



YUMA TERRITORIAL ENGINEERING

Vision and Excellence in Civil Engineering

SOILS BORINGS AND PERCOLATION TEST RESULTS

Name of Property Owner: Sierra Ridge Unit 1 & 2

Contractor's Name: _____

Parcel Number/Address: A portion of APN 1060-05-022A

Depth to Seasonal Groundwater: Not Found

Depth to Bedrock: Not Found

Tests Location: #4 565' south from the north property line, 50' west from the east property line

#5 565' south from the north property line, 470' east from the west property line

#6 865' south from the north property line, 270' west from the east property line

SOILS BORINGS

Test Hole Number	Date of Boring	Depth of Hole (ft)	Depth Feet/Soil Texture For example: 0-1 Ft./Clay, 2-4 ft. Medium Sand, etc.
#4	07/19/04	3'	0' - 3' Medium Sand
#5	07/19/04	3'	0' - 3' Medium Sand
#6	07/19/04	3'	0' - 3' Medium Sand

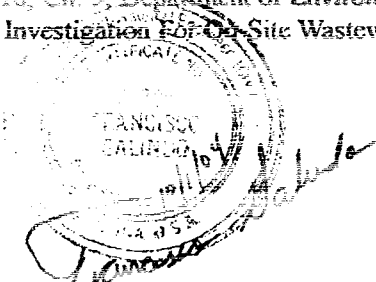
PERCOLATION TEST REPORT

Test Hole Number	Date of Boring	Depth of Water (ft)	Stabilized Percolation Rate Minutes per Inch
#4	07/19/04	1'	2.0 Minutes Per Inch
#5	07/19/04	1'	1.0 Minutes Per Inch
#6	07/19/04	1'	2.0 Minutes Per Inch

I hereby certify that:

The soils borings and percolation tests were conducted in accordance with the requirements of the Arizona Administrative Code Title 18, Ch. 9, Department of Environmental Quality - Water Pollution Control, Article 3., Part A., Section R18-9-A310, Site Investigation For On-Site Wastewater Treatment Facilities.

Seal:



YUMA TERRITORIAL ENGINEERING

Vision and Excellence in Civil Engineering

SOILS BORINGS AND PERCOLATION TEST RESULTS

Name of Property Owner: Sierra Ridge Unit 1 & 2

Contractor's Name: _____

Parcel Number/Address: A portion of APN 1060-05-022A

Depth to Seasonal Groundwater: Not Found

Depth to Bedrock: Not Found

Tests Location: #10 250' north from the south property line, 260' west from the east property line

#11 250' north from the south property line, 350' east from the west property line.

#12 500' north from the south property line, 190' east from the west property line.

SOILS BORINGS

Test Hole Number	Date of Boring	Depth of Hole (ft)	Depth Feet/Soil Texture For example: 0-1 Ft./Clay, 2-4 ft. Medium Sand, etc.
#10	07/19/04	3'	0' - 3' Medium Sand
#11	07/19/04	3'	0' - 3' Medium Sand
#12	07/19/04	3'	0' - 3' Medium Sand

PERCOLATION TEST REPORT

Test Hole Number	Date of Boring	Depth of Water (ft)	Stabilized Percolation Rate Minutes per Inch
#10	07/19/04	1'	1.0 Minutes Per Inch
#11	07/19/04	1'	1.5 Minutes Per Inch
#12	07/19/04	1'	1.5 Minutes Per Inch

I hereby certify that:

The soils borings and percolation tests were conducted in accordance with the requirements of the Arizona Administrative Code Title 18, Ch. 9, Department of Environmental Quality - Water Pollution Control, Article 3., Part A., Section R18-9-A310, Site Investigation For On-Site Wastewater Treatment Facilities.

Seal:

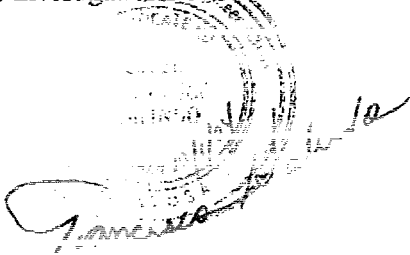


EXHIBIT D

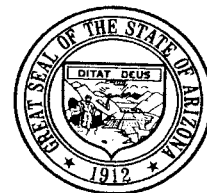
ARIZONA DEPARTMENT OF WATER RESOURCES

Office of Assured and Adequate Water Supply

500 North Third Street, Phoenix, Arizona 85004-3921

Telephone 602 417-2465

Fax 602 417-2467

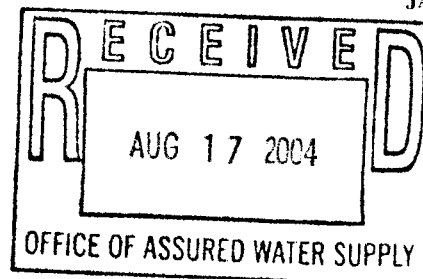


JANET NAPOLITANO
Governor

HERB GUENTHER
Director

August 16, 2004

Mr. Roy Tanney
Arizona Department of Real Estate
2910 N. 44th Street
Phoenix, Arizona 85018



Water Adequacy Report #22-401419
Subdivision Name: Sierra Ridge
Owner: Brian Householder
Number of lots: 171
County: Yuma
Township 09 S **Range** 21 W **Section** 09

Water provided by: Far West Water & Sewer
Water Type: Colorado River water
Current water depth: N/A
Estimated 100-year depth: 0 - 0
Current decline rate: N/A
Basin: Yuma

Dear Mr. Tanney:

Pursuant to A.R.S. § 45-108, the Department of Water Resources has reviewed the available information pertaining to the water supply for the above-referenced subdivision. This letter constitutes the Department's report on the subdivisions water supply as required by A.R.S. § 45-108(A).

Adequacy of the 100-year water supply was reviewed by the Department with regard to physical, legal and continuous availability, and to determine if the water supply is of adequate quality. Information available to the Department indicates that the applicant has satisfied the adequate water supply requirements as set forth in A.A.C. R12-15-715 *et seq.* Therefore, the Department of Water Resources finds the water supply to be adequate to meet the subdivision's projected needs. Any change to the subdivision or its water supply plans may invalidate this decision.

This letter is being forwarded to your office as required by A.R.S. § 45-108. This law requires the developer to hold the recordation of the subdivision's plat until receipt of the Department's report on the subdivision's water supply. By copy of this report, the Yuma County Recorder is being officially notified of the developer's compliance with the law. If you have any questions, please contact Alan Dulaney at (602) 417-2465.

Sincerely,

Frank Putman
~~Acting~~ Assistant Director

FP/AD/ef
700051

cc: Yuma County Planning and Zoning
Yuma County Recorder
Francisco Galindo
Alan R. Dulaney, ADWR

EXHIBIT E

**COUNTY APPROVAL
SUBDIVISION TO BE SERV. BY
INDIVIDUAL ON-SITE WASTEWATER TREATMENT FACILITIES
(ADEQ Form 113-S)**

This form is to be filled out, signed and SUBMITTED TO ADEQ in accordance with Arizona Administrative Code (A.A.C.) R18-5-408(E)(3) with any Application for Approval of Sanitary Facilities for Subdivision for which the proposed method of wastewater treatment requires owners of some or all lots within the proposed subdivision to install Individual On-Site Wastewater Treatment Facilities.

1. SUBDIVISION NAME: Sierra Ridge Subdivision Phase I & II
(SPECIFIC AS TO UNIT OR PHASE NUMBER)
2. TOTAL NUMBER OF LOTS IN PROPOSED SUBDIVISION: 113
3. TOTAL NUMBER OF LOTS PROPOSED FOR INDIVIDUAL ON-SITE WASTEWATER TREATMENT FACILITIES: 113
3. COUNTY STATEMENT OF CONCEPTUAL APPROVAL:

Plans and supporting data for the above project have been reviewed by the

Yuma County Development Services Dept. of Environmental Health
(NAME OF COUNTY HEALTH DEPARTMENT OR OTHER DELEGATED AGENCY)

and county approval of Sierra Ridge Phase I & II subdivision for the use of individual on-site wastewater treatment and disposal systems is granted. AN APPROVAL OF SANITARY FACILITIES FOR SUBDIVISION MUST BE ISSUED BY THE ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY BEFORE APPLICATION CAN BE MADE TO THE DELEGATED AGENCY TO OBTAIN APPROVAL OF SEPTIC SYSTEM OR OTHER INDIVIDUAL ON-SITE WASTEWATER TREATMENT FACILITIES FOR SPECIFIC LOTS WITHIN THE SUBJECT SUBDIVISION. ACCORDING TO A.A.C. R18-9-A301(D)(1)(e)(ii), NO RESIDENTIAL CONSTRUCTION CAN PROCEED UNTIL A SEPTIC SYSTEM OR OTHER INDIVIDUAL ON-SITE WASTEWATER TREATMENT FACILITIES HAVE BEEN ISSUED A PROVISIONAL VERIFICATION OF GENERAL PERMIT CONFORMANCE.

County Comments: Collection of Stormwater will take
Place in retention basins located throughout
Subdivision - No on-site retention will take
Place. Seach is not available in the foreseeable future. RS

Continued on Attachment ☐ No ☐ Yes (Pages) _____

Name of County Official (type or print) R.J. Stacks, R.S.

Signature of County Official [Signature]

Title of County Official R.J. Stacks, R.S. Environmental Health Manager

Address 2717 S. Avenue B

City Yuma, AZ

Zip Code 85364

Date 10-8-04

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY, ENGINEERING REVIEW DESK
1110 West Washington Street (5415B-3), Phoenix, Arizona 85007 (602)771-4677 1(800)234-5677x4677

ADEQ/WQD-113-S (REV.2/02) J:\WEDR\APPLICATIONS-Subdivisions\County\Conceptual Approval\Of Onsite Subdivision-113S

Attn: Jeff Craddock Re: Sierra Ridge

EXHIBIT F



Yuma County, Arizona
DEPARTMENT OF DEVELOPMENT SERVICES

2703 S. Avenue B • Yuma, Arizona 85364

Harold Aldrich
Director
(928) 329-2300
FAX: (928) 726-5626

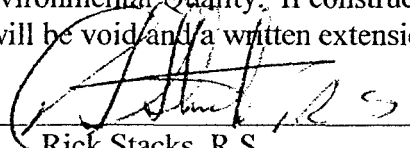
CERTIFICATE OF APPROVAL TO CONSTRUCT WATER FACILITIES

YCDDS FILE NO:	PR04-0497
SYSTEM NAME:	Far West
SYSTEM NUMBER	14004
PROJECT NAME:	Sierra Ridge #1 & 2
PROJECT OWNER:	Brian Householder
OWNER'S ADDRESS:	11858 Via Loma Vista, Yuma, AZ. 85367
PROJECT LOCATION:	S. Avenue 12E & South Frontage Road
PROJECT DESCRIPTION:	Install 2,947 lf 6" and 3,836 lf of 8" water line

Approval to construct the above-described facilities, as represented in the approved plan documents on file at the Yuma County Department of Development Services (YCDDS), is hereby given subject to the following Provisions:

1. Notice shall be given to the Yuma County Department of Development Services when construction of the project begins to allow for inspection during construction per A.R.S. Section 49-104.B.10.
2. The Project Owner shall retain a professional engineer as soon as possible to provide detailed construction inspections of this project. Upon completion of construction the engineer shall fill out the Engineers Certificate of Completion (attached), and forward it to the Yuma County Department of Development Services. If all requirements have been completed this office will issue a Certificate of Approval of Construction.
3. Operation of a newly constructed facility shall not begin until this Department has issued a Certificate of Approval of Construction.
4. In accordance with the requirements of Arizona Administrative Code Section R18-4-119, fittings and valves shall conform to NSF Standard 61 and or bear the NSF-pw seal of approval.
5. A "Final Design Report" containing information as stipulated in *Engineering bulletin 10 chapter 1, section D.1*, shall be submitted to ADEQ and YCDDS by the engineer upon completion of the waterline. Use of the waterline is contingent upon approval of the "Final Design Report".

The State law, A.R.S. §49-104.B.10, requires that construction of the project must be in accordance with rules and regulations of the Arizona Department of Environmental Quality. If construction has not started within one year of the date of this approval, this certificate will be void and a written extension of time shall be required.

By:  December 9, 2004
Rick Stacks, R.S.

Environmental Health Manager

EXHIBIT G



Yuma County, Arizona
DEPARTMENT OF DEVELOPMENT SERVICES

2703 S. Avenue B • Yuma, Arizona 85364

Director
(928) 329-2300
FAX: (928) 726-5626

**Provisional Verification of General Permit Conformance
for Sewage Collection System
General Permit 4.01**

Applicant Information:		File No. PR04-0497	
Name	Brian Householder	Project Name: Sierra Ridge #1 & 2	
Address	11858 Via Loma Vista Yuma, AZ. 85367		
Project Type(s)		Project Location (street names/intersections) S. Avenue 12E & South Frontage Road	
<input checked="" type="checkbox"/>	Gravity	Project Description: Install 5,944 lf 8" PVC sewer line to serve a 113 residential subdivision	
<input type="checkbox"/>	Lift Station		
<input type="checkbox"/>	Forcemain		
<input checked="" type="checkbox"/>	Other:		
Wastewater System Name: Far West		Treatment Facility Permitted Design Flow:	
Wastewater System Number:		50850 gallons per day	
System Inventory Number: To be assigned		System Capacity Affirmation, Date:	
Design Documents Approved for Construction		Site Information:	
Document	Date	County: Yuma	
Notice of Intent to Discharge	10/05/2004	Location of Downstream End of system proposed herein:	
Site Plan	10/06/2004		
Design Plan	10/06/2004	Latitude: 32 40' 9.0"N	
Operation & Maintenance Plan	10/06/2004	Longitude: 114 25' 34.5"W	
Other Document(s):		Legal Description of area served by project:	
		Township: 9S Range :21W Section: 9	
<p>Provisional Verification of General Permit Conformance: This Provisional Verification of General Permit Conformance is issued in accordance with Arizona Administrative Code Title 18, Chapter 9, Article 3, Part A, Section A301. The applicant is authorized to construct the facility at the location specified herein under terms and conditions of the requested general permit and applicable requirements of Arizona Revised Statutes Title 49, Chapter 2, and Arizona Administrative Code Title 18, Chapter 9. The applicant has two years from the approval date of this document to complete construction and submit the applicable verification documents specified in A.A.C. R18-9-E301(E). Construction shall conform with the approved design documents.</p>			
 Rick Stacks, R.S.		Environmental Health Manager Title 12/09/2004 Date	

Monty M. Stansbury
Planning Director
Planning & Zoning
(928) 329-2300
FAX (928) 317-8302

Curtis Cansler
Chief Building Official
Building Safety
(928) 329-2292
FAX (928) 726-5801

TDD
(928) 329-2304

Engineering Division
(928) 329-2300
FAX (928) 726-5626

Roger A. Patterson, P.E.
County Engineer/FCM

Flood Control District
(928) 329-2302
FAX (928) 726-5626

EXHIBIT H

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY, OFFICE OF WASTE AND WATER QUALITY MANAGEMENT
2005 N. Central Avenue - Phoenix, Arizona 85004

WATER SERVICE AGREEMENT AND SEWER SERVICE AGREEMENT

To be filled out and signed, where appropriate, and submitted with application

WATER SERVICE AGREEMENT - An unconditional agreement which is effective this date has been made between the owners of:

SIERRA RIDGE #1 & #2

NAME OF SUBDIVISION

and the Far West Water & Sewer Inc.

NAME OF WATER SYSTEM OR MUNICIPALITY

to provide water service to each and every lot in accordance with the design shown on the attached plats of the subdivision.

The undersigned hereby agrees to inspect this project during construction to assure compliance with plans and specifications approved by the Arizona Department of Environmental Quality and upon completion shall be responsible for maintenance and operating the system.

Date:

1-28-05

Name

MARK KAVENEY

TYPE OR PRINT

SIGNATURE



Title

GENERAL SUPERINTENDENT

Address

12486 S. Foothills Blvd.

City

Yuma, Arizona 85387

SEWER SERVICE AGREEMENT An unconditional agreement has been made between the owners of:

SIERRA RIDGE #1 & #2

NAME OF SUBDIVISION

and the Far West Water & Sewer Inc.

NAME OF SEWER SYSTEM OR MUNICIPALITY

to provide sewer service to each and every lot in accordance with the design shown on the attached plats of the subdivision.

The undersigned hereby agrees to inspect this project during construction to assure compliance with plans and specifications approved by the Arizona Department of Environmental Quality and upon completion shall be responsible for maintenance and operating the system.

Date

1-28-05

Name

MARK KAVENEY

TYPE OR PRINT

SIGNATURE



Title

GENERAL SUPERINTENDENT

Address

12486 S. Foothills Blvd.

City

Yuma, Arizona 85387

EXHIBIT I

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY
WATER QUALITY DIVISION
1110 WEST WASHINGTON STREET - PHOENIX, ARIZONA 85007

DRINKING WATER SERVICE AGREEMENT

To be completed and signed, where appropriate, and submitted with the APPLICATION FOR APPROVAL OF SANITARY FACILITIES FOR SUBDIVISIONS

DRINKING WATER SERVICE AGREEMENT - An unconditional agreement which is effective this date has been made between the owners of:

SIERRA RIDGE #112

NAME OF SUBDIVISION

and:

FAR WEST WATER & SEWER, INC

NAME OF WATER SYSTEM OR MUNICIPALITY

to provide water service to each and every lot in accordance with the design shown on the attached plats of the subdivision.

The undersigned hereby agrees to inspect this project during construction to assure compliance with plans and specifications approved by the Arizona Department of Environmental Quality and upon completion shall be responsible for maintenance and operation of the system:

Date

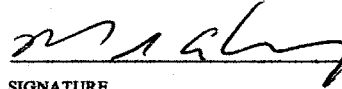
1-29-05

Name

MARK KANEVET

TYPE OR PRINT

SIGNATURE



Title

GENERAL SUPERINTENDENT

Address

12486 S. FOOTBALL BLVD

City

YUMA AZ 85367

EXHIBIT J



ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY
CAPACITY ASSURANCE
for
Sewage Collection System

J:\shared\WEDR\APPLICATIONS-CollectionSystems\Notice Of Intent To Discharge -CAPACITY ASSURANCE for Sewage Collection System 2/27/03

Instructions: The owner or operator of the downstream sewage collection system must complete and submit this Capacity Assurance Form to comply with Arizona Administrative Code (AAC) R18-9-E301(C)(2) when the proposed sewage collection system is under different ownership or control.

1a. Proposed System or Expansion Design Flow: Project Name <u>SIERRA RIDGE 1 & 2</u> Design Flow: <u>.024</u> (MGD)	1b. Proposed Sewage Collection System: Name: <u>MARK KAUNEY</u> Position: <u>GENERAL SUPERINTENDENT</u> Responsible Agency: <u>FAR WEST WATER & SEWER</u> Address: <u>12486 S. FOOTMUS BLVD</u> <u>YUMA AZ 85367</u> Telephone No. ⁹²⁸ <u>305-0302</u> Fax No. ⁹²⁸ <u>305-0990</u>
2a. Downstream Sewage Collection System Capacity: Capacity Downstream from point where new system or expansion is connected: <u>.200</u> (MGD). Total flow approved to be connected upstream from point of connection: <u>* 0</u> (MGD). <u>* CONNECTION IS AT HIGHEST UPSTREAM POINT</u>	2b. Downstream Sewage Collection System: Name: <u>MARK KAUNEY</u> Position: <u>GENERAL SUPERINTENDENT</u> Responsible Agency: <u>FAR WEST WATER & SEWER</u> Address: <u>12486 S. FOOTMUS BLVD</u> <u>YUMA AZ 85367</u> Telephone No. ⁹²⁸ <u>305-0302</u> Fax No. ⁹²⁸ <u>305-0990</u>

Capacity is expressed in million gallons per day (MGD). Design Flow is based on the design flow for the proposed new system, such as a subdivision submitted in accordance with AAC R18-9-E301, or system expansion.

3. Capacity Assurance: To be completed by owner/operator identified in Item "2b" above.

I, MARK KAUNEY, certify that the sewer collection system identified in item "2b" can maintain the performance standards required under A.A.C. R18-9-E301(B) for the increased flow from the proposed system or expansion identified in item "1a". I am aware that there are significant penalties for submitting false information including permit revocation as well as the possibility of fine and imprisonment for knowing violations.

Mark Kaune
Signature

1-29-05
Date

EXHIBIT K



ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

Sewage Treatment Facility CAPACITY ASSURANCE

J:\shared\WEDR\APPLICATIONS-CollectionSystems\Notice Of Intent To Discharge -CAPACITY ASSURANCE for Sewage Treatment Facility 2/27/03

Instructions: The owner or operator of the downstream sewage treatment facility must complete and submit this Capacity Assurance Form to comply with Arizona Administrative Code (AAC) R18-9-E301(C)(1).

1. Sewage Treatment Facility: Name: <u>PALM SHADOWS WWTP</u> APP (Aquifer Protection Permit) Number: P <u>103608</u> AZPDES Permit Number: _____ ADEQ Site Code: _____ Address: <u>9700 E. 40TH ST</u> <u>YUMA AZ 85367</u> Telephone No. _____ Fax No. _____	2. Owner/Operator for Facility Operation: Name: <u>MARK KAVENEY</u> Position: <u>GENERAL SUPERINTENDENT</u> Firm Name: <u>FAR WEST WATER & SEWER</u> Address: <u>12486 S. FOOTMUS BLVD</u> <u>YUMA AZ 85367</u> Telephone No. <u>928-305-0302</u> Fax No. <u>928-305-0990</u>
3. Facility Capacity: Current 208 Plan* Approved Capacity: <u>.200</u> (MGD) Constructed Capacity: <u>.200</u> (MGD) APP Approved Capacity: <u>.200</u> (MGD) AZPDES Discharge Limit: <u>.1A</u> (MGD) Operational Flow: <u>.092</u> (MGD) <small>*Areawide Wastewater Management Plan, per Section 208 of the Clean Water Act (State only capacity indicated in current approved plan on file with the Designated Management Agency)</small>	4. Proposed Subdivision or other project: Name: <u>SIERRA RIDGE 142</u> Design Flow: <u>.024</u> (MGD) Provide list of all previously approved subdivisions, commercial and industrial customers and associated design flows. Total Design Flow Connected to Facility: <u>.153</u> (MGD)

Capacity is expressed in million gallons per day (MGD) based on the monthly average capacity of the facility. Operational Flow is expressed in MGD based on the maximum monthly average flow for the last 12 months. Design Flow is based on the design flow for the proposed subdivision as submitted in accordance with AAC R18-9-E301.

5. Facility Plan and Schedule to Construct Additional Capacity: (Provide detail if total design flow connected to facility is greater than APP approved capacity)
--

6. Capacity Assurance: To be completed by owner/operator identified in Item "2" above. I, <u>MARK KAVENEY</u> , affirm that the additional volume of sewage delivered to the facility by the sewer collection system serving the proposed subdivision will not cause any flow or effluent quality limits of the facility's individual permit to be exceeded. I am aware that there are significant penalties for submitting false information including permit revocation as well as the possibility of fine and imprisonment for knowing violations. Signature: <u>[Signature]</u> Date: <u>1-29-05</u>

EXHIBIT L

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY, OFFICE OF WASTE AND WATER QUALITY MANAGEMENT
2005 N. Central Avenue - Phoenix, Arizona 85004

WATER SERVICE AGREEMENT AND SEWER SERVICE AGREEMENT

To be filled out and signed, where appropriate, and submitted with application

WATER SERVICE AGREEMENT - An unconditional agreement which is effective this date has been made between the owners of:

SIERIA RIDGE #3

NAME OF SUBDIVISION

and the Far West Water & Sewer Inc.

NAME OF WATER SYSTEM OR MUNICIPALITY

to provide water service to each and every lot in accordance with the design shown on the attached plats of the subdivision.

The undersigned hereby agrees to inspect this project during construction to assure compliance with plans and specifications approved by the Arizona Department of Environmental Quality and upon completion shall be responsible for maintenance and operating the system.

Date: 1-28-05 Name MARK KAUFNEY [Signature]
TYPE OR PRINT SIGNATURE
Title GENERAL SUPERINTENDENT
Address 12486 S. Foothills Blvd.
City Yuma, Arizona 85367

SEWER SERVICE AGREEMENT An unconditional agreement has been made between the owners of:

SIERIA RIDGE #3

NAME OF SUBDIVISION

and the Far West Water & Sewer Inc.

NAME OF SEWER SYSTEM OR MUNICIPALITY

to provide sewer service to each and every lot in accordance with the design shown on the attached plats of the subdivision.

The undersigned hereby agrees to inspect this project during construction to assure compliance with plans and specifications approved by the Arizona Department of Environmental Quality and upon completion shall be responsible for maintenance and operating the system.

Date: 1-28-05 Name MARK KAUFNEY [Signature]
TYPE OR PRINT SIGNATURE
Title GENERAL SUPERINTENDENT
Address 12486 S. Foothills Blvd.
City Yuma, Arizona 85367

EXHIBIT M

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY
WATER QUALITY DIVISION
1110 WEST WASHINGTON STREET - PHOENIX, ARIZONA 85007

DRINKING WATER SERVICE AGREEMENT

To be completed and signed, where appropriate, and submitted with the APPLICATION FOR APPROVAL OF SANITARY FACILITIES FOR SUBDIVISIONS

DRINKING WATER SERVICE AGREEMENT - An unconditional agreement which is effective this date has been made between the owners of:

SIERRA RIDGE #3

NAME OF SUBDIVISION

and:

FAIR WEST WATER & SEWER, INC.

NAME OF WATER SYSTEM OR MUNICIPALITY

to provide water service to each and every lot in accordance with the design shown on the attached plats of the subdivision.

The undersigned hereby agrees to inspect this project during construction to assure compliance with plans and specifications approved by the Arizona Department of Environmental Quality and upon completion shall be responsible for maintenance and operation of the system:

Date 1-29-05

Name MARK LAVENEY

TYPE OR PRINT

SIGNATURE

Title GENERAL SUPERINTENDENT

Address 12406 S. FOOTBALL BLVD

City YUMA AZ 85367

EXHIBIT N



ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY
CAPACITY ASSURANCE
for
Sewage Collection System

J:\shared\WEDR\APPLICATIONS-CollectionSystems\Notice Of Intent To Discharge -CAPACITY ASSURANCE for Sewage Collection System 2/27/03

Instructions: The owner or operator of the downstream sewage collection system must complete and submit this Capacity Assurance Form to comply with Arizona Administrative Code (AAC) R18-9-E301(C)(2) when the proposed sewage collection system is under different ownership or control.

1a. Proposed System or Expansion Design Flow: Project Name <u>SIERRA RIDGE 3</u> Design Flow: <u>.013</u> (MGD)	1b. Proposed Sewage Collection System: Name: <u>MARK KAVENET</u> Position: <u>GENERAL SUPERINTENDENT</u> Responsible Agency: <u>FAR WEST WATER & SEWER</u> Address: <u>12486 S. FOOTBRIDGE BLVD</u> <u>YUMA AZ 85367</u> Telephone No. <u>928 305-0362</u> Fax No. <u>928 305-0990</u>
2a. Downstream Sewage Collection System Capacity: Capacity Downstream from point where new system or expansion is connected: <u>.200</u> (MGD). Total flow approved to be connected upstream from point of connection: <u>At 0</u> (MGD). <u>* CONNECTION IS AT THE HIGHEST UPSTREAM POINT.</u>	2b. Downstream Sewage Collection System: Name: <u>MARK KAVENET</u> Position: <u>GENERAL SUPERINTENDENT</u> Responsible Agency: <u>FAR WEST WATER & SEWER</u> Address: <u>12486 S. FOOTBRIDGE BLVD</u> <u>YUMA AZ 85367</u> Telephone No. <u>928 305-0362</u> Fax No. <u>928 305-0990</u>

Capacity is expressed in million gallons per day (MGD). Design Flow is based on the design flow for the proposed new system, such as a subdivision submitted in accordance with AAC R18-9-E301, or system expansion.

--

3. Capacity Assurance: To be completed by owner/operator identified in Item "2b" above. I, <u>MARK KAVENET</u> , certify that the sewer collection system identified in item "2b" can maintain the performance standards required under A.A.C. R18-9-E301(B) for the increased flow from the proposed system or expansion identified in item "1a". I am aware that there are significant penalties for submitting false information including permit revocation as well as the possibility of fine and imprisonment for knowing violations. <u>Mark Kavenet</u> Signature <u>1-29-05</u> Date

EXHIBIT O



ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY

Sewage Treatment Facility CAPACITY ASSURANCE

J:\shared\WEDR\APPLICATIONS-CollectionSystems\Notice Of Intent To Discharge -CAPACITY ASSURANCE for Sewage Treatment Facility 2/27/03

Instructions: The owner or operator of the downstream sewage treatment facility must complete and submit this Capacity Assurance Form to comply with Arizona Administrative Code (AAC) R18-9-E301(C)(1).

1. Sewage Treatment Facility: Name: <u>Palm Shadows WWTP</u> APP (Aquifer Protection Permit) Number: P <u>103608</u> AZPDES Permit Number: _____ ADEQ Site Code: _____ Address: <u>9700 E. 40th St</u> <u>Yuma AZ 85367</u> Telephone No. _____ Fax No. _____	2. Owner/Operator for Facility Operation: Name: <u>MARK KAVENEY</u> Position: <u>GENERAL SUPERINTENDENT</u> Firm Name: <u>PALM SHADOWS WATER & SEWER, INC.</u> Address: <u>12486 S. FOOTMUS BLVD</u> <u>Yuma AZ 85367</u> Telephone No. <u>928-305-0302</u> Fax No. <u>928-305-0990</u>
3. Facility Capacity: Current 208 Plan* Approved Capacity: <u>1,200</u> (MGD) Constructed Capacity: <u>1,200</u> (MGD) APP Approved Capacity: <u>1,200</u> (MGD) AZPDES Discharge Limit: <u>N/A</u> (MGD) Operational Flow: <u>1,092</u> (MGD) <small>*Areawide Wastewater Management Plan, per Section 208 of the Clean Water Act (State only capacity indicated in current approved plan on file with the Designated Management Agency)</small>	4. Proposed Subdivision or other project: Name: <u>SIERRA HILL #3</u> Design Flow: <u>1,013</u> (MGD) Provide list of all previously approved subdivisions, commercial and industrial customers and associated design flows. Total Design Flow Connected to Facility: <u>1,153</u> (MGD) <u>213.87 GPD/Lot</u>

Capacity is expressed in million gallons per day (MGD) based on the monthly average capacity of the facility. **Operational Flow** is expressed in MGD based on the maximum monthly average flow for the last 12 months. **Design Flow** is based on the design flow for the proposed subdivision as submitted in accordance with AAC R18-9-E301.

5. Facility Plan and Schedule to Construct Additional Capacity: (Provide detail if total design flow connected to facility is greater than APP approved capacity)

6. Capacity Assurance: To be completed by owner/operator identified in Item "2" above.

I, MARK KAVENEY, affirm that the additional volume of sewage delivered to the facility by the sewer collection system serving the proposed subdivision will not cause any flow or effluent quality limits of the facility's individual permit to be exceeded. I am aware that there are significant penalties for submitting false information including permit revocation as well as the possibility of fine and imprisonment for knowing violations.

Mark Kaveney
Signature

1-29-05
Date

EXHIBIT P



Yuma County, Arizona
DEPARTMENT OF DEVELOPMENT SERVICES
 2703 S. Avenue B • Yuma, Arizona 85364

Harold Aldrich
 Director
 (928) 326-2300
 FAX: (928) 726-5826

CHLORINE RESIDUAL TEST

LOCATION: Sierra Ridge Subdivision, Yuma, AZ 85367

DATE: 29 March 2005

TIME: 1000

ADEQ NUMBER: WL-SR05-0027
 WL-SR05-0028

PIPE LENGTH: 3000'
 3000'

PIPE SIZE: 6"
 8"

NAME OF CONTRACTOR: Noll Construction Co.
ADDRESS: 12471 S Frontage Rd, Yuma, AZ 85367

Note: A total of ten (10) tests were conducted on this system.

THE FOLLOWING IS THE RESULTS OF THE TEST:

TIME	PPM
ONE MINUTE	>200
TWO MINUTES	>200
THREE MINUTES	>200
FOUR MINUTES	>200
FIVE MINUTES	>200

SIGNATURE:

Steven Miltstead
 Environmental Health Technician

Donny M. Stansbury
 Planning Director
 Planning & Zoning
 (928) 326-2300
 FAX (928) 317-8302

Carla Kender
 Social Services Director
 Building Safety
 (928) 326-2300
 FAX (928) 726-5826

TDD
 (928) 326-2304

Engineering Division
 (928) 326-2300
 FAX (928) 726-5826

Flood Control District
 (928) 326-2302
 FAX (928) 726-5826
 TOTAL P. 02

EXHIBIT Q

EXHIBIT R

YUMA TERRITORIAL ENGINEERING, P.C.

1420 S. 5th Avenue
Yuma, Arizona 85364
Ph. (928) 329-9097
Fax (928) 539-0150

WATER LINE PRESSURE TEST VERIFICATION

Project Information

Project Name Sierra Ridge Subdivision Phase I

Contractor Name Noll Construction Co.

Project # 0434

Date 4/5/05

Initial Pressure 150 psi

Initial Time 12:03 P.M.

Final Pressure 150 psi

Final Time 2:03 P.M.

Additional Information Entire System was tested at one time.

No Leakage observed.



EXHIBIT S

**ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY
CERTIFICATE OF APPROVAL OF SANITARY FACILITIES FOR SUBDIVISION**

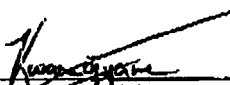
SUBDIVISION: Sierra Ridge-Phase 1&2, (Lots 1 - 113)	ADEQ FILE NO: 20040788 ADEQ SITE CODE: 50623000	
LOCATION: South Avenue 12E. & South Frontage Road		
TOWN: Foothills	COUNTY: Yuma	
SECTION 9	TOWNSHIP 9S	RANGE 21W
SUBDIVIDER: Brian Householder, 11858 Via Loma Vista		
Water Supply By: Far West Water Company (PWS No. 14-004)		
Sewage Disposal By: Palm Shadows WWTP (P103608)		
Garbage Disposal By: Suburban Sanitation		

The sanitary facilities of water supply, sewage disposal and garbage disposal as represented by the approved plan documents on file with the Arizona Department of Environmental Quality are hereby approved subject to the following Provision:

No "discharge" to the "waters of the United States" pursuant to Sections 301, 309, 402, 404, and 502 of the federal Clean Water Act (CWA) are authorized by this approval. If this project results in discharge to these waters, CWA permits are necessary before commencing the discharge, pursuant to the Code of Federal Regulations Titles 33 and/or 40. Any construction in a watercourse shall comply with all terms and conditions of the Section 404 Permit program which is administered by the U.S. Army Corps of Engineers.

This Certificate of Approval does NOT constitute an Individual or General Aquifer Protection Permit for the sewage collection system incorporated in this subdivision (see separate Provisional Verification of General Permit Conformance).

Stephen A. Owens, Director
Arizona Department of Environmental Quality

By: 
For Michele Robertson, Manager
Residential and Industrial Wastewater Unit
Water Permits Section, Water Quality Division

4/15/05
Date Approved

CERTIFICATE DISTRIBUTION

Original Certificate and Plat:

Engineering Review File No: 20040788

Engineer: Fred Stevens, Yuma Territorial Engineering

EXHIBIT T



Yuma County, Arizona
DEPARTMENT OF DEVELOPMENT SERVICES

2351 W. 26th Street, Yuma, Arizona 85364

Phone: (928) 817-5000

Fax: (928) 817-5020

Monty M. Stansbury, AICP
Director

APPROVAL OF CONSTRUCTION (AOC)

Project Name: Sierra Ridge #1 & 2
Project Description: Install 2,947 lf 6" and 3,836 lf of 8" water line
Location: S. Avenue 12E & South Frontage Road
Project Owner: Brian Householder
Address: 11858 Via Loma Vista

Yuma County Development Services (YC DDS) hereby issues an Approval of Construction for this facility based on the following provisions of the Arizona Administrative Code (A.A.C.) R18-4-507 et seq.

On 12/09/2004, (YC DDS) issued a Certificate of Approval to Construct for the referenced project.

On 04/12/2007, Certificate of Completion and testing results were submitted to YC DDS

On 04/11/2005, Francisco Galindo, P.E. certified the following:

- A final construction inspection was conducted on 04/09/2005
- The referenced project was constructed according to the approved plans and specifications and YC DDS's Certificate of Approval to Construct;
- Water system pressure and leakage tests were conducted on 04/05/2005 and the results were within the allowable leakage rates;
- The water distribution system was disinfected according to an ADEQ-approved method; and
- Microbiological samples were collected and analyzed by Agri-Trend, The sample results were negative for total coliform.

This Approval of Construction authorizes the owner to begin operating the above-described facilities as represented in the approved plans on file with YC DDS. Be advised that A.A.C. § R18-4-124 requires the owner of a public water system to maintain and operate all water production, treatment and distribution facilities in accordance with ADEQ Safe Drinking Water Rules.

YC DDS File Number: PR04-0497

Rick Stacks, R.S.

Environmental Health Manager

04/12/2007

Date Approved

cc:— County Planning and Zoning Department
ADEQ - DWFEIU
Facility File YC DDS

P:\Bldg_Safety\Env_Health\EH Letters\Plans Review\AOC's\2007\Sierra Ridge 1&2 (113)(04).doc

EXHIBIT U

**FAR WEST WATER & SEWER, INC.**

April 14, 2005

Yuma County Development Services
2703 S. Avenue B
Yuma, AZ 85364

RE: Far West Water & Sewer, Inc. Acceptance Letter
Sierra Ridge Units 1 & 2

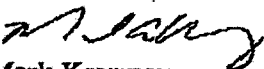
To Whom It May Concern:

Far West Water & Sewer, Inc. is granted the Certificate of Convenience and Necessity (CC&N) by the Arizona Corporation Commission to provide water and sewer utility services to Sierra Ridge Units 1 & 2.

All necessary documents, test results, and as-built drawings have been received by Far West Water & Sewer, Inc., and as such, Far West Water & Sewer, Inc. accepts the completed improvements into the water and wastewater system. Utility services can be requested for all lots as needed.

Should you have any questions or concerns, please contact me at 928-342-1238.

Sincerely,


Mark Kaveney
General Superintendent

13157 E. 44th Street • Yuma, Arizona 85367 • Tel 928-342-1238 • Fax 928-342-7108

EXHIBIT V

YUMA TERRITORIAL ENGINEERING

Vision and Excellence in Civil Engineering

1420 South 5th Avenue Yuma, Arizona 85364
Phone (928) 329-9097 Fax (928) 539-0150

LETTER OF TRANSMITTAL

Date: March 13, 2006 Job No. 0434, 0525 *and 4/4/07*

Attention: Sarah Philips

Subject: ADEQ Documents

TO: Sarah Philips

Sierra Ridge Unit no. I & II

Far West Water & Sewer

WE ARE SENDING YOU ☒ Attached ☐ Under separate cover via _____ the following items:

☐ Shop Drawings ☐ Prints ☐ Submittals ☐ Calculations ☐ Specifications
☐ Letter ☐ Sketches ☐ Originals ☐ _____

Copies	Date	Description
1		Engineer's Design Report for water and sewer
1	✓	Certificate of approval to construct Water Facilities
1		Water Adequacy Report
1	✓	Provisional Verification of General Permit Conformance for Sewage Collection System
1		Yuma Co. Chlorine Residual Test
1		Agri-Trend LLC Microbiological Analysis
1		Engineer's Certificate of Testing
1	✓	Water line Pressure Test Verification
1	✓	Capacity Assurance for Sewage Collection System
1	✓	Water Service Agreement and Sewer Service Agreement
1	✓	Drinking Water Service Agreement
3	✓	Subdivision Plat - book 21 of plats pages 23-25

THESE ARE TRANSMITTED as checked below:

☒ For your use ☐ For Review ☐ For Your Info.
☐ As requested ☐ For Approval ☒ For Submittal

REMARKS: Attached are the following documents for your use as requested. The As-Built have been sent for copying and will be available soon.

COPY TO _____

SIGNED: Israel H. Moreno

EXHIBIT W

FAR WEST WATER & SEWER, INC.

BILLING DATE

SERVICE ADDRESS

04/02/2006 11366 HELEN DR

PRESENT READING	PREVIOUS READING	CONSUMPTION
6750	10	6,740
05/23/2006	04/20/2006	

WATER BASE FEE	15.53
WATER USAGE FEE	11.03
SEWER FEE	20.00
ENVIRONMENT/MANDATES	0.00
WATER	0.04
TAXES	3.71
OTHER FEES	0.00
ESTABLISHMENT/RECONN	50.00
OTHER SERVICE CHARGES	25.00

Sewer establishment
feewater establishment
fee

Current Charges 125.31

Previous Balance 0.00

RETAIN THIS AMOUNT Due 125.31

PAYMENTS RECEIVED
AFTER STATEMENT
DUE ARE NOT CRED-
ITED ON THIS BILL.

0000037817

ACCOUNT
NUMBER

125.31

PLEASE ↑
PAYARIZONA CORPORATION COMMISSION
1-800-222-7000

FAR WEST WATER & SEWER, INC.

BILLING DATE

SERVICE ADDRESS

06/15/2006 11287 AVENIDA LA PRIMERA

PRESENT READING	PREVIOUS READING	CONSUMPTION
25410	24550	860
06/06/2006	05/25/2006	

WATER BASE FEE	15.53
WATER USAGE FEE	1.41
SEWER FEE	20.00
ENVIRONMENT/MANDATES	0.00
WATER	0.01
TAXES	1.22

Current Charges 38.17

Previous Balance 0.00

RETAIN THIS AMOUNT Due 38.17

PAYMENTS RECEIVED
AFTER STATEMENT
DUE ARE NOT CRED-
ITED ON THIS BILL.

0000036373

ACCOUNT
NUMBER

38.17

PLEASE ↑
PAYARIZONA CORPORATION COMMISSION
1-800-222-7000

EXHIBIT X

FENNEMORE CRAIG, P.C.

3003 North Central Avenue, Suite 2600
Phoenix, Arizona 85012-2913
(602) 916-5000

Jay L. Shapiro
Direct Phone: (602) 916-5366
Direct Fax: (602) 916-5566
jshapiro@fclaw.com

Law Offices
Phoenix (602) 916-5000
Tucson (520) 879-6800
Nogales (520) 761-4215
Lincoln (402) 323-6200

May 10, 2006

Mr. Brian Householder
Spartan Homes & Construction
11858 Via Loma Vista
Yuma, AZ 85367

Re: Extension of Water and Sewer Utility Service by Far West Water & Sewer Company to Sierra Ridge Development, Phases I and II

Dear Mr. Householder:

This firm represents Far West Water & Sewer Company ("Far West"). Far West has asked us to take the lead in negotiating an agreement to extend service to the Sierra Ridge subdivision (the "Development"). We understand that the Development is located within Far West's CC&N and is expected to contain 113 and 60 lots in Phases I and II, respectively.

The first step is an engineering analysis to determine the effect of extending water and sewer service to the Development. A system-wide engineering analysis is already underway and Far West needs a development plan for the Development as soon as possible so it can include the Development in its analysis. Thereafter, Far West will be able to allocate the costs of off-site facilities necessary to serve the Development on a pro-rata basis. Far West understands that you have already designed and constructed the on-site facilities necessary for Far West to provide water and wastewater utility service. Those on-site facilities will have to be conveyed to Far West, following approval by Far West and all applicable governing jurisdictions.

The parties will enter into written facilities extensions agreements, one for water and one for sewer. These agreements will govern the formal conveyance of the on-site facilities via bill of sale along with all necessary warranties, easements and rights-of-way. The agreements will also address the Development's allocated share of the cost of off-site facilities as well as refunds of any and all advances in aid of construction for facilities construction. Additional advances in aid of construction based on a percentage of the facilities costs will be made for administration and overhead, including third-party costs for engineering and inspection, accounting and legal. After all the necessary arrangements have been made and all approvals obtained, service can be extended subject to individual water and sewer utility service applications being required for each new customer to receive service.

FENNEMORE CRAIG, P.C.

Mr. Brian Householder

May 10, 2006

Page 2

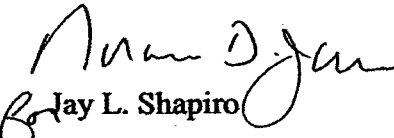
Prior to the commencement of preparation of an extension agreement, Far West requires a deposit in the amount of \$15,000 for administrative and overhead costs including legal, engineering and related fees associated with the extension of water and sewer utility service to the Development. The deposit will be credited against the total amount of administrative costs that will be required under the extension agreements. This deposit will also be included in the amount advanced and will be subject to refund.

The deposit should be forwarded directly to the attention of Debbie Smith on behalf of Far West along with a copy of this letter signed by the developer acknowledging receipt and acceptance of the terms and conditions contained herein. As mentioned, Far West will also need a copy of the most recent development plan.

Finally, you inquired about the status of additional capacity for Far West's Palm Shadows treatment facility. Far West is in the process of designing and installing improvements that will allow additional wastewater flows to be treated at Palm Shadows, among other Far West treatment facilities. Far West presently estimates the Palm Shadows facility will be able to serve additional connections in the Fall of 2006. Your full and timely cooperation in the process outlined herein will help Far West meet this goal.

Meanwhile, please feel free to contact me if you have any questions or require any additional information.

Very truly yours,


Jay L. Shapiro

JSHA/mlh

cc: Andrew Capestro
Mark Kaveney

ACKNOWLEDGED AND APPROVED:

Spartan Homes & Construction, Inc.

By: _____

Its: _____

EXHIBIT Y

Feb. 13. 2007 1:48PM

No. 4525 P. 2

COPY**BEFORE THE DIRECTOR OF THE
ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY****In the Matter of:****CONSENT ORDER**Far West Water & Sewer, Inc. located at 13157
E. 44th Street, Yuma, Arizona

ADEQ Identification Number: 101816

Docket No. P-105-06

To: Far West Water & Sewer, Inc. (Far West) in its capacity as owner and/or operator of the Seasons, Section 14, Palm Shadows, Villa Royale, Del Rey, Del Oro, and Marwood Wastewater Treatment Plants (WWTPs) located in Yuma County, Arizona.

RECITALS

Far West acknowledges that no promise of any kind or nature whatsoever was made to induce it to enter into this Consent Order, and Far West has done so voluntarily.

Far West acknowledges that by entering into this Consent Order, it does not resolve any liability it may have for civil penalties for violations of any State or Federal environmental law.

By entering into this Consent Order, Far West does not admit to any civil or criminal liability, or waive any right including but not limited to the assertion of any defense available to Far West under applicable law. Further, Far West does not admit, and both the Arizona Department of Environmental Quality ("ADEQ") and Far West retain the right to controvert in any subsequent proceeding except a proceeding to implement or enforce this Consent Order, the validity of any Findings of Fact or Conclusions of Law contained in this Consent Order.

The undersigned representative of Far West certifies that he is fully authorized to execute this Consent Order on behalf of Far West and to legally bind Far West to this Consent Order.

Far West admits to the jurisdiction of the Director of ADEQ.

Except as to the right to controvert the validity of any Findings of Fact or Conclusion of Law contained in this Consent Order in a proceeding other than to enforce this Consent Order, Far West consents to the terms and entry of this Consent Order and agrees not to contest the validity or terms of this Consent Order in any subsequent proceeding.

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1
2 **THEREFORE, IT IS HEREBY ORDERED** as follows:

3 **I. JURISDICTION**

4 The Director of ADEQ has jurisdiction over the subject matter of this action and is
5 authorized to issue this Consent Order pursuant to the Arizona Revised Statutes ("A.R.S.") § § §
6 49-261, 49-461, and 41-1092.07(F)(5).

7 **II. FINDINGS**

8 **THE DIRECTOR HEREBY MAKES THE FOLLOWING FINDINGS OF FACT AND**
9 **CONCLUSIONS OF LAW:**

10 **A. Findings of Fact**

11 Far West owns and operates seven (7) WWTPs located in the Foothills area of
12 Yuma, Arizona. Far West's service area, authorized under the Arizona Corporation Commission
13 certification, covers approximately twenty four (24) square miles serving about 15,000 water and
14 6,500 wastewater connections.

15 **1. Del Oro WWTPs - Located at 11717 Omega Lane (Del Oro Site)**

16 a. During 1986, Mesa Del Sol, Inc. constructed and began operation of a
17 Santec WWTP at the Del Oro Site with a design capacity of 77,000 gallons per day (gpd).
18 Because the actual flow to this plant was less than 20,000 gpd, ADEQ approved its coverage
19 under a General Aquifer Protection Permit (APP) on October 29, 1997. ADEQ also issued a
20 Reuse Permit for use of treated effluent from the Santec WWTP to irrigate the Mesa Del Sol
21 Golf Course.

22 b. On August 9, 2001 ADEQ received a letter from Far West stating the
23 company had accepted operational responsibility, and subsequently confirmed ownership of the
24 Santec WWTP beginning September 30, 2001.

25 c. By September 30, 2001, flow to the Santec WWTP exceeded 20,000 gpd.
26 Far West has not submitted an individual APP application for operation of this WWTP.

27 d. On February 6, 2003 the Reuse permit authorizing irrigation of the Mesa
28 Del Sol Golf Course with treated effluent from the Santec WWTP expired. Far West has not
29 submitted a renewal application, but has continued to use effluent from the Santec WWTP to
30 irrigate the Mesa Del Sol Golf Course.

31 e. On May 19, 2003, Far West submitted to ADEQ an individual APP
32 application for operation of a Clear Solutions WWTP with a design flow of 150,000 gpd at the

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1 Del Oro Site. Although ADEQ notified Far West of deficiencies in the application, the
2 deficiencies were not satisfactorily addressed by Far West, and the APP was never issued.

3 f. By June 1, 2004, Far West completed construction of the Clear Solutions
4 WWTP, incorporating some items from the Santec WWTP. Far West proceeded to operate the
5 Clear Solutions WWTP without an APP.

6 g. Because of several complaints of septage odors and effluent quality
7 concerns from residents, ADEQ inspected the Del Oro Site during February 2006, and issued an
8 Notice of Violation (NOV) to Far West citing operation of the Clear Solutions WWTP without a
9 permit, providing reclaimed water for direct reuse without obtaining an APP, and emission of
10 odorous materials in such quantities as to cause air pollution.

11 h. Recently, Far West constructed a temporary 300,000 gpd WWTP to
12 replace both the 77,000 gpd Santec and 150,000 Clear Solutions WWTP at the Del Oro Site. Far
13 West began operations of the new WWTP and currently operates the WWTP at an actual flow
14 capacity of approximately 250,000 gpd. On October 3, 2006, after the WWTP was constructed
15 and operational, Far West submitted an APP application for a 495,000 gpd WWTP. That
16 application is under consideration by ADEQ.

17 i. ADEQ and Far West entered into a Consent Order to address capacity,
18 operational, monitoring, reporting, and permitting issues at the Del Oro Site. The Consent Order
19 became effective March 13, 2006. It is the intent of the parties that this Consent Order supercede
20 and replace the previous Consent Order entered on March 13, 2006.

21 2. Villa Del Rey WWTP - Located at 12342 E. Del Rico (Del Rey Site)

22 a. During 1986, Mesa Del Sol, Inc. constructed and began operating a
23 Santec WWTP at the Del Rey Site with a design capacity of 40,000 gpd. Because the actual
24 flow to this plant was less than 20,000 gpd, ADEQ approved its coverage under a General APP
25 on October 29, 1997. ADEQ also issued a Reuse Permit for use of treated effluent from the Del
26 Rey Santec WWTP to irrigate the Mesa Del Sol Golf Course.

27 b. On August 9, 2001 ADEQ received a letter from Far West stating the
28 company had accepted operational responsibility, and subsequently confirmed ownership of the
29 Del Rey Santec WWTP beginning September 30, 2001.

30 c. By September 30, 2001, flow to the Del Rey Santec WWTP exceeded
31 20,000 gpd. Far West has not submitted an individual APP application for operation of this
32 WWTP.

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d. The reuse permit issued to Mesa Del Sol, Inc. during February 1998 also authorized use of treated effluent from the Villa Del Rey Santec WWTP for irrigation of the Mesa Del Sol Golf course. This permit expired February 3, 2003 and has not been renewed. Far West continues to irrigate the golf course with treated effluent from the Villa Del Rey Santec WWTP.

e. ADEQ inspected the Del Rey Site during March 2006, and issued to Far West a NOV on March 14, 2006 citing Far West for discharging without an APP, and providing reclaimed water for reuse from the Villa Del Rey WWTP without individual APP coverage.

3. Villa Royale WWTP - Located at 14,000 E. 14th Street (Villa Royale Site)

a. During 1986, Mesa Del Sol, Inc. constructed and began operating a 10,000 gpd Santec WWTP at the Villa Royale Site. Because the flow to this plant was less than 20,000 gpd, ADEQ approved its coverage under a General APP on October 29, 1997. ADEQ also issued a Reuse Permit for use of treated effluent from the Villa Royale Santec WWTP to irrigate the Mesa Del Sol Golf Course.

b. On August 9, 2001 ADEQ received a letter from Far West stating the company had accepted operational responsibility, and subsequently confirmed ownership of this Villa Royale WWTP beginning September 30, 2001.

c. The reuse permit issued to Mesa Del Sol, Inc. during February 1998, also authorized use of treated effluent from the Villa Royale Santec WWTP for irrigation of the Mesa Del Sol Golf course. This permit expired February 3, 2003 and has not been renewed. Far West continues to irrigate the Mesa Del Sol Golf Course with effluent from the Villa Royale Santec WWTP.

d. ADEQ inspected the Villa Royale Site during March 2006, and issued a March 14, 2006 NOV citing Far West for providing reclaimed water for reuse from the Villa Royale Santec WWTP without individual APP coverage.

4. Section 14 WWTP - Located at 12651 S. Avenue 14E (Section 14 Site)

a. On November 30, 2001, ADEQ issued to Far West an APP for operation of the Section 14 WWTP at a design flow rate of 150,000 gpd. The APP was amended on April 29, 2002, but that amendment did not include an increase in the design flow rate.

b. On March 25, 2003, ADEQ issued Far West coverage under the Type 2 Reclaimed Water General Permit authorizing the company to reuse effluent for irrigation of the Section 14 Golf Course, and for dust control and other construction uses.

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c. In January, 2005, ADEQ issued Far West a NOV citing various dates on which the Section 14 WWTP exceeded the APP discharge limit of 10 mg/l for total nitrogen.

d. In March, 2006, ADEQ inspected the Section 14 WWTP and issued to Far West a NOV citing additional dates on which the WWTP exceeded the APP discharge limit for total nitrogen. Neither the January 2005 nor the March 2006 NOVs has been resolved.

5. Palm Shadows WWTP - Located at 9700 E. 40th Street (Palm Shadows Site)

a. On April 14, 1999, ADEQ issued Far West an APP for the Palm Shadows WWTP, permitting a design flow of 200,000 gpd. The effluent from the Palm Shadows WWTP is disposed of by evaporation and percolation.

b. On May 18, 2001, ADEQ issued Far West a NOV citing dates on which the Palm Shadows WWTP exceeded the APP discharge limit of 10 mg/l for total nitrogen, and for failure to notify ADEQ of the violations. ADEQ closed the NOV on February 19, 2002 after Far West demonstrated compliance by implementing corrective measures and submitting a letter describing the measures implemented.

c. During March 2006, ADEQ inspected the Palm Shadows Site and issued Far West a NOV citing violation of the APP discharge limit for total nitrogen, and failure to conduct verification sampling. In response, Far West submitted a March 29, 2006 letter that did not address the total nitrogen violations, but outlined the reason verification sampling was not done. The March 2006 NOV remains unresolved.

6. Seasons WWTPs - Located at 10301 E 10th Street (Seasons Site)

a. On December 24, 1998, ADEQ issued an individual APP for the Seasons WWTP, permitting a design flow of 50,000 gpd. The effluent from the Seasons WWTP is disposed of by evaporation and percolation.

b. On January 3, 2005, ADEQ issued Far West a NOV citing violation of the APP discharge limit of 10 mg/l for nitrogen.

c. In 2005, Far West expanded the capacity of the Seasons WWTP from 50,000 gpd to 150,000 gpd without seeking a significant amendment of the APP.

d. In March 2006, ADEQ inspected the Seasons WWTP and issued to Far West a March 14, 2006 NOV citing operation of the WWTP at a flow of 150,000 gpd without first obtaining a significant APP amendment from ADEQ.

7. Marwood WWTP - Located at 14.00 E. 14th Street (Marwood Site)

a. On August 30, 1994, APP issued an individual APP for the Marwood

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1 WWTP with a permitted design flow of 180,000 gpd. ADEQ amended the APP on December
2 21, 1998 to authorize increased design flow of 340,000 gpd.

3 b. On July 4, 1997, ADEQ issued to Far West a Reclaimed Water Reuse
4 permit authorizing the use of treated effluent for golf course irrigation. This permit was renewed
5 August 2002 for a period of five (5) years.

6 c. On August 15, 2002, ADEQ issued Far West an amended APP
7 classifying the plant as producing Class B effluent for reuse.

8 d. On March 14, 2006, ADEQ issued Far West a NOV citing violations of
9 the APP discharge limits at the Marwood WWTP for turbidity and fecal coliform, and emission
10 of odorous materials in violation of the air quality regulations. ADEQ will close the NOV
11 because the turbidity and fecal coliform limits provided in the APP do not apply to this WWTP.

12 B. Conclusions of Law

13 1. Each WWTP owned and operated by Far West is a "Facility" pursuant to A.R.S. §
14 49-201(17).

15 2. Far West is a "Person" pursuant to A.R.S. § 49-206 (26).

16 3. Del Oro WWTPs

17 a. By operating the 150, 000 gpd Clear Solutions WWTP without an APP,
18 Far West violated A.R.S. § 49-241, which requires that a person who discharges or who owns or
19 operates a facility that discharges first obtain an APP.

20 b. By operating the Santec WWTP in excess of 20,000 gpd without an
21 individual APP, Far West violated A.R.S. § 49-241, which requires that a person who discharges
22 or who owns or operates a facility that discharges first obtain an APP.

23 c. By providing treated effluent for irrigation of the Mesa Del Sol Golf
24 Course without first obtaining an individual APP, Far West violated A.A.C. R18-9-704(A),
25 which requires that a sewage facility owner or operator provide reclaimed water for direct reuse
26 only under an individual APP amended under A.A.C. R18-9-703(C)(2).

27 d. By allowing the emission of odor from the Del Oro WWTP, which
28 unreasonably interfered with the comfortable enjoyment of life or property of members of the
29 community, Far West violated A.A.C. R18-2-730(D), which prohibits any person from emitting
30 odorous or gaseous materials from equipment, operations or premises in such quantities or
31 concentrations as to cause air pollution.

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1 4. Villa Del Rey WWTP

2 a. By operating the Santeo WWTP in excess of 20,000 gpd without an
3 individual APP, Far West violated A.R.S. § 49-241, which requires that a person who discharges
4 or who owns or operates a facility that discharges first obtains an APP.

5 b. By providing treated effluent for irrigation of the Mesa Del Sol Golf
6 Course without first obtaining an individual APP, Far West violated A.A.C. R18-9-704(A),
7 which requires that a sewage facility owner or operator provide reclaimed water for direct reuse
8 only under an individual APP amended under A.A.C. R18-9-703(C)(2).

9 5. Villa Royale WWTP

10 a. By providing treated effluent for irrigation of the Mesa Del Sol Golf
11 Course without first obtaining an individual APP, Far West violated A.A.C. R18-9-704(A),
12 which requires that a sewage facility owner or operator provide reclaimed water for direct reuse
13 only under an individual APP amended under A.A.C. R18-9-703(C)(2).

14 6. Section 14 WWTP

15 a. By discharging effluent with total nitrogen concentrations in excess of 10
16 mg/l, Far West violated APP #P-105014, which includes a discharge limit of 10 mg/l for total
17 nitrogen.

18 7. Palm Shadows WWTP

19 a. By discharging effluent with total nitrogen concentrations in excess of 10
20 mg/l, Far West violated APP #P-103608, which includes a discharge limit of 10 mg/l for total
21 nitrogen.

22 b. By failing to collect verification samples after being notified of discharge
23 limit exceedances, Far West violated APP #P-103608, Part II(C)(2)(2), which requires that the
24 permittee conduct verification sampling within five (5) days of becoming aware of the
25 exceedance of an Alert Level or Discharge Limit.

26 8. Seasons WWTP

27 a. By making physical changes to the Seasons WWTP that increased design
28 flow from 50,000 gpd to 100,000 gpd without an approved significant APP amendment, Far
29 West violated A.A.C. R18-9-A211(B)(2)(b), which requires a significant APP amendment for a
30 physical change or change in method of operation of a sewage treatment facility that is permitted
31 for 500,000 gpd or less when the change increases its design flow treatment capacity by 10% or
32 more.

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b. By discharging in excess of 50,000 gpd of effluent, Far West violated Part IV Table I of APP No.P-103618, which provides a discharge limit of 50,000 gpd.

III. COMPLIANCE SCHEDULE

THE DIRECTOR HEREBY ORDERS and Far West agrees to comply with the provisions of this Consent Order as follows:

A. Prior to beginning construction and/or installation activities at any site identified in Section II. A of this Consent Order, unless otherwise approved by ADEQ in writing, or expressly provided in this Consent Order, Far West shall obtain all required approvals, permits, licenses, including Section 208 conformance under A.A.C. Title 18, Chapter 5, Article 3, from the appropriate authorities.

B. Within thirty (30) calendar days of the effective date of this Consent Order, Far West shall submit an odor control program to ADEQ for review that addresses odor concerns throughout the collection system, lift stations, and WWTPs at all sites identified in Section II.A of this Consent Order. This odor control program shall be designed to ensure that odorous or gaseous materials are not generated in such a manner as to interfere with the comfortable enjoyment of life or property by members of the community.

C. Within ninety (90) calendar days of the effective date of this Consent Order, Far West Shall implement the odor control program, and submit to ADEQ documentation pertaining to how this program was implemented, and how it will be monitored and maintained.

D. Within thirty (30) days of the effective date of this Consent Order, Far West shall submit to ADEQ an area wide map that clearly shows all areas and units connected to the collection systems for all WWTPs described in Section II of this Consent Order.

E. Del Oro WWTPs

1. Within forty five (45) calendar days of the effective date of this Consent Order, Far West shall complete installation and begin operation of the temporary 300,000 gpd Membrane Bioreactor (MBR) WWTP to produce at least Class A effluent, and submit documentation to ADEQ verifying that this task has been completed. As part of the installation of the 300,000 MBR WWTP, Far West shall incorporate equipment it deems necessary from the 77,000 gpd Santee and 150,000 gpd Clear Solutions WWTPs at the Del Oro Site.

Class A effluent standards shall be based on the following criteria:

a. Five-day BOD - less than 30 mg/l (30-day) average, and less than 45 mg/l (7-day average);

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- 1 b. TSS - less than 30 m/l (30-day) average, and less than 45 mg/l (7-day
2 average);
- 3 c. pH - to be maintained between 6.0 and 9.0 standard units;
- 4 d. Fecal coliform - non detect in four of the last seven daily samples;
- 5 e. Fecal coliform - a single sample maximum concentration should be less
6 than 23 cfu/100 ml.
- 7 f. Turbidity - 24-hour average of filtered effluent should be less than two
8 NTUs or less;
- 9 g. Turbidity - At any time filtered effluent does not exceed five NTUs.
- 10 2. Beginning the month in which this Consent Order becomes effective, and
11 on a monthly basis thereafter, until issuance by ADEQ of an APP authorizing a design flow of
12 495,000 gpd at the Del Oro WWTP, Far West shall collect representative effluent samples and
13 have them analyzed by an Arizona state certified laboratory for the Class A effluent parameters
14 listed above plus the following: nitrate, nitrite, ammonia and TKN, and submit the analytical
15 results to ADEQ by no later than the fifteenth day of each succeeding month.
- 16 3. Within ninety (90) calendar days after the effective date of this Consent
17 Order, Far West shall submit to ADEQ:
- 18 a. An administratively complete APP application for operation of the new
19 300,000 gpd MBR WWTP;
- 20 b. An administratively complete application for coverage under the Type 2
21 Reclaimed Water General Permit authorizing reuse of treated effluent for irrigation purposes.
- 22 c. An administratively complete APP application for closure of the 77,000
23 gpd Santec WWTP, and the 150,000 gpd Clear Solution WWTP. Far West shall complete all
24 closure activities with this APP application within ninety (90) days of ADEQ's approval of the
25 associated closure plan. Should ADEQ issue to Far West a deficiency letter(s) regarding
26 Paragraphs III.E.3.a through c. above, Far West shall satisfy the conditions of such deficiency
27 letter(s) within the stated deadline(s).
- 28 4. Until such time as Far West obtains from ADEQ an individual APP for
29 operation of a WWTP with a design flow of 495,000 gpd, prior to adding new connections to the
30 Del Oro Collection System, Far West shall submit a written request to ADEQ for connection
31 approval. Far West shall include in this request the number of connections, their discharge

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1 volume, and assessment of the impact of the additional discharge on the operation of the WWTP
2 and effluent quality.

3 **F. Villa Del Rey WWTP and Villa Royale WWTP**

4 1. Within ninety (90) calendar days of the effective date of this Consent
5 Order, Far West shall submit to ADEQ an administratively complete Notice of Intent (NOI), on a
6 form approved by ADEQ, pursuant to A.A.C. R18-9-A301(B) and A.A.C. R18-9-E301, seeking
7 Construction Authorization under the Type 4 General APP, for expansion of the Del Oro
8 Collection System. The Del Oro Collection System expansion shall include new lift stations and
9 force mains where the Villa Del Rey and Villa Royale WWTPs are located, to pump raw sewage
10 from the areas serviced by the Villa Del Rey and Villa Royale WWTPs to the Del Oro WWTP.
11 Should ADEQ request additional information and/or data to process the NOI, Far West shall
12 submit such additional information and/or data by the deadline provided by ADEQ.

13 2. Within ninety (90) calendar days of receipt of Construction Authorization
14 from ADEQ, Far West Shall complete expansion of the Del Oro Collection System, and ensure
15 that expansion conforms to the plans and documents approved by ADEQ in the Construction
16 Authorization.

17 3. Within thirty (30) calendar days of completing expansion of the Del Oro
18 Collection System, Far West shall submit to ADEQ an administratively complete request for
19 Discharge Authorization pursuant to A.A.C. R18-9-A301(D)(f). Should ADEQ request any
20 additional information and/or data to determine whether the Del Oro Collection System
21 expansion conforms to the terms of the Type 4 General APP, Far West shall submit to ADEQ
22 such information and/or data by the deadline provided by ADEQ. Far West shall not begin
23 operation of the expanded sections of the Del Oro Collection System prior to receipt of the
24 Discharge Authorization from ADEQ.

25 4. Within ninety (90) calendar days of the effective date of this Consent
26 Order, Far West shall submit to ADEQ an administratively complete APP application for closure
27 of the Villa Del Rey WWTP pursuant to A.R.S. § 49-252. Should ADEQ request additional
28 information and/or data to process the APP application, Far West shall submit such additional
29 information and/or data by the deadline provided by ADEQ. Far West shall complete all closure
30 requirements associated with the Villa Del Rey WWTP by no later than ninety (90) calendar
31 days after receipt of ADEQ's written approval of the closure plans submitted with its APP
32 application, or sixty (60) calendar days after beginning operation of the Del Oro Collection

2

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1 System, whichever occurs later, and submit written notification to ADEQ confirming such
2 completion.

3 5. Within sixty (60) calendar days of beginning operation of the Collection
4 System, Far West shall close the Villa Royale WWTP pursuant to A.A.C. R18-9-A306(A)(1),
5 which requires that Far West performs the following:

6 a. Remove material that may contribute to a continued discharge; and

7 b. Eliminate, to the greatest degree practical, any reasonable probability of
8 further discharge from the facility and of exceeding any Aquifer Water Quality Standard at the
9 applicable point of compliance.

10 Upon completion of this task, Far West shall submit written notification to ADEQ
11 confirming its completion.

12 G. Section 14 WWTP

13 1. Within thirty (30) calendar days of the effective date of this Consent Order,
14 Far West shall submit to ADEQ on a form prescribed by ADEQ, a Request to Expedite third
15 party review of an APP application, pursuant to A.R.S. §§ 49-241.02(D) and 49-203(C). Far
16 West agrees to pay any additional fees associated with a third party expedited review of its APP
17 application. Within this same thirty day period, Far West shall submit to ADEQ a request for a
18 minor modification to the Section 14 WWTP APP authorizing the installation of the appropriate
19 technology that would bring the Section 14 WWTP in compliance with its total nitrogen APP
20 limit. Far West shall install such appropriate technology within sixty (60) days of receipt of the
21 modified APP and submit to ADEQ written documentation confirming this task has been
22 completed.

23 2. Within ninety (90) calendar days of the effective date of this Consent Order,
24 Far West shall submit to ADEQ an administratively complete APP application for expedited
25 review for a significant modification to its current APP, to authorize expansion of the design
26 flow of the WWTP from 150,000 gpd to a 1,300,000 gpd. Far West shall submit to ADEQ any
27 additional information and/or data requested by ADEQ within the deadline provided by ADEQ.

28 3. Within (200) calendar days of the effective date of this Consent Order, Far
29 West shall submit to ADEQ an administratively complete Notice of Intent (NOI), on a form
30 approved by ADEQ, pursuant to A.A.C. R18-9A301(B) and A.A.C. R-18-9-E301, seeking
31 Construction Authorization for expansion of the Section 14 Collection System. The expansion
32 shall include a new lift station, force main and associated structures, devices and appurtenances

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1 to pump raw sewage from the area serviced by the Palm Shadows WWTP to the Section 14
2 WWTP. If ADEQ requests additional information and/or data to process the NOI, Far West
3 shall submit such additional information and/or data by the deadline provided by the deadline
4 provided by ADEQ.

5 4. Within sixty (60) calendar days of receipt of Construction Authorization
6 from ADEQ, Far West shall complete expansion of the Section 14 Collection System and ensure
7 that the expansion conforms to the plans and documents approved by ADEQ in the Construction
8 Authorization.

9 5. Within thirty (30) calendar days of completing expansion of the Section
10 14 Collection System, Far West shall submit to ADEQ an administratively complete request for
11 Discharge Authorization pursuant to A.A.C. R18-9-A301(D)(f). Should ADEQ request any
12 additional information and/or data to determine whether the expanded sections of the Section 14
13 Collection System conform to the terms of the Type 4 General APP, Far West shall submit to
14 ADEQ such information and/or data by the deadline provided by ADEQ. Far West shall not
15 commence operation of the expanded sections of the Section 14 Collection System prior to
16 receipt of the Discharge Authorization from ADEQ.

17 H. Palm Shadows WWTP

18 1. Within thirty (30) calendar days of the effective date of this Consent
19 Order, Far West shall submit to ADEQ a request for a minor modification to the Palm Shadows
20 WWTP APP authorizing installation of the appropriate technology that would bring the Palm
21 Shadows WWTP in compliance with its total nitrogen APP limit. Far West shall install such
22 appropriate technology within sixty (60) days of receipt of the modified APP, and submit to
23 ADEQ written documentation confirming this task has been completed.

24 2. Within two hundred (200) calendar days of the effective date of this
25 Consent Order, Far West shall submit to ADEQ a Closure Plan for the Palm Shadows WWTP
26 pursuant to A.A.C. R18-9-A306 and Part II.E of APP No. P-103608. Should ADEQ request
27 additional information and/or data to process the Closure Plan, Far West shall submit such
28 additional information and/or data by the deadline provided by ADEQ.

29 3. Within ninety (90) calendar days of the receipt of ADEQ's written
30 approval of the Closure Plan, Far West shall complete all closure requirements associated with
31 the Palm Shadows WWTP.

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4. Beginning on the effective date of this Consent Order, unless approved by ADEQ, Far West shall not construct any new connections to the existing Palm Shadows WWTP collection system.

I. Seasons WWTP

1. Within thirty (30) calendar days of the effective date of this Consent Order, Far West shall submit to ADEQ an application to amend APP No. P-103618 authorizing an increase in design flow of the Seasons WWTP from 50,000 gpd to 150,000 gpd pursuant to A.A.C. R18-9-A211(B). Should ADEQ request additional information and/or data to process the application, Far West shall submit such additional information and/or data by the deadline provided by ADEQ. Within this same thirty (30) calendar day period, Far West shall submit to ADEQ a request for a minor modification to the Seasons WWTP APP authorizing installation of the appropriate technology that would bring the Seasons WWTP in compliance with its total nitrogen APP limit. Far West shall install such appropriate technology within sixty (60) days of receipt of the modified APP, and submit to ADEQ written documentation confirming this task has been completed.

2. Until such time as ADEQ issues to Far West the amended APP for operation at a design flow of 150,000 gpd, Far West shall operate the Seasons WWTP with a maximum design flow of 70,000 gpd, and meet all other terms and conditions of APP No. P-103618.

3. If the amended APP does not provide a schedule for completion of the expansion of the Seasons WWTP, Far West shall complete all approved upgrades within ninety (90) days of the issuance of the amended APP.

IV. STATUS REPORTS

A. Far West agrees to submit a written status report to ADEQ every ninety (90) calendar days from the effective date of this Consent Order, until termination of this Consent Order. Each written status report shall describe what measures have been taken under Section III of this Consent Order, and shall certify when compliance with the requirements of Section III of this Order has been achieved. Each report shall be accompanied by evidence of compliance including, as appropriate, submittal of documents, photographs or copies of any other supporting information that Far West deems necessary.

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1 B. ADEQ will review the status reports and relay any disputes, in writing, to Far
2 West. Far West shall incorporate all required modifications, changes or other alterations, as
3 requested by ADEQ, within a reasonable time specified b ADEQ.

4 **V. VIOLATIONS OF ORDER/STIPULATED PENALTIES**

5 A. Under A.R.S. § 49-262, violation of this Consent Order subjects Far West to civil
6 penalties of up to \$25,000 per day per violation. ADEQ and Far West agree that the calculation
7 of civil penalties for violation of this Consent Order would be very difficult.

8 B. ADEQ and Far West therefore agree that if Far West fails to comply with any
9 requirement of this Consent Order, Far West shall pay a stipulated penalty pursuant to the
10 schedule below:

<u>Period of Failure to Comply</u>	<u>Penalty Per Day of Violation</u>
11 1 st to 30 th day	12 \$3,000 per day per violation
13 31 st to 60 th day	14 \$4,000 per day per violation
15 After 60 days	16 \$5,000 per day per violation

17 C. Except as otherwise provided herein, stipulated penalties shall begin to accrue on
18 the day that performance is due or that a violation of this Consent Order occurs and shall
19 continue to accrue until correction of the act of noncompliance is completed. Neither issuance
20 by ADEQ nor receipt by Far West of a Notice of Violation of the terms and conditions of this
21 Consent Order are conditions precedent to the accrual of stipulated penalties.

22 D. Stipulated penalty payments shall be made pursuant to a civil settlement (e.g.,
23 Consent Judgment) with ADEQ filed in a court of competent jurisdiction. If ADEQ and Far
24 West are unable to reach agreement for payment of stipulated penalties under a civil settlement,
25 or if Far West fails to make payment of stipulated penalties due under a civil settlement, ADEQ
26 may file a civil action seeking the maximum civil penalty allowed under Federal or State law for
27 violation of this Consent Order.

28 E. The stipulated penalties required by this Consent Order shall be in addition to
29 other remedies or sanctions available to ADEQ by reason of any failure by Far West to comply
30 with the requirements of Federal or State laws. The payment of stipulated penalties shall not
31 relieve Far West from compliance with the terms and conditions of this Consent Order or Federal
32 or State laws, nor limit the authority of the State to require compliance with the Consent Order or
State law.

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VI. COMPLIANCE WITH OTHER LAWS

A. This Consent Order does not encompass issues regarding releases, contamination, sources, operations, facilities or processes not expressly covered by the terms of this Consent Order, and are without prejudice to the rights of the State of Arizona or Far West arising under any federal or Arizona environmental statutes and rules with regard to such issues.

B. Nothing in this Consent Order shall constitute a permit of any kind, or a modification of any permit of any kind, or an agreement to issue a permit of any kind under federal, state or local law, or relieve Far West in any manner of its obligation to apply for, obtain, and comply with all applicable permits. Nothing in this Consent Order shall in any way alter, modify or revoke federal, state, or local law, or relieve Far West in any manner of its obligation to comply with such laws. Compliance with the terms of this Consent Order shall not be a defense to any action to enforce any such permits or laws.

VII. FORCE MAJEURE

A. Far West shall perform all the requirements of this Consent Order according to the time limits set forth herein, unless performance is prevented or delayed by events which constitute a *force majeure*. *Force majeure*, for the purposes of this Consent Order, is defined as any event arising from causes beyond the control of Far West or its authorized representatives which delays or prevents the performance of any obligation under this Consent Order and which could not have been overcome or prevented by Far West. The financial inability of Far West to comply with the terms of this Consent Order shall not constitute a *force majeure*.

B. In the event of a *force majeure*, the time for performance of the activity affected by the *force majeure* shall be determined by ADEQ and extended for a period no longer than the delay caused by the *force majeure*. The time for performance of any activity dependent on the delayed activity shall be similarly extended. In the event of a *force majeure*, Far West shall notify ADEQ in writing within five (5) calendar days after Far West or its agents become aware of the occurrence. The written notice provided to ADEQ shall describe in detail the event, the anticipated delay, the measures taken and to be taken by Far West to prevent or minimize delay, and a proposed timetable under which those measures will be implemented. Far West shall take all reasonable measures to prevent or minimize any delay caused by the *force majeure*. Failure of Far West to comply with any requirements of this paragraph for a particular event shall preclude Far West from asserting any claim of *force majeure* for that event.

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VIII. SITE ACCESS

ADEQ may at any time, upon presentation of credentials to authorized personnel on duty, enter upon the premises at the Facility for the purpose of observing and monitoring compliance with the provisions of this Consent Order. This right of entry shall be in addition to, and not in limitation of or substitution for, ADEQ's rights under applicable law.

IX. CORRESPONDENCE

All documents, materials, plans, notices, or other items submitted as a result of this Consent Order shall be transmitted to the addresses specified below:

To ADEQ:

Arizona Department of Environmental Quality
Water Quality Division
Water Quality Enforcement Unit
Attention: Robert Casey, Manager
1110 West Washington Street
Phoenix, Arizona 85007-2935
Telephones: 602-771-4614
Email: rc2@azdeq.gov

To Far West:

Paula Capestro, President
Far West Water & Sewer, Inc.
12486 Foothills Blvd.
Yuma, Arizona 85367

Submissions to ADEQ as a result of this Consent Order shall be deemed submitted upon receipt.

X. RESERVATION OF RIGHTS

A. This Consent Order is based solely upon currently available information. If additional information is discovered which indicates that the actions taken under this Consent Order are or will be inadequate to protect human health, safety, or the environment, or to conform with applicable federal or state laws, ADEQ shall have the right to require further action.

B. ADEQ shall have the right: to pursue civil penalties for violations of any and all violations of A.R.S. Title 49, or the rules promulgated thereunder, occurring before entry of this Consent Order; to disapprove of work performed by Far West that fails to comply with this Consent Order; to take enforcement action for any and all violations of this Consent Order; and

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1 to take enforcement action for any and all violations of A.R.S. Title 49, or the rules promulgated
2 thereunder, occurring after the entry of this Consent Order.

3 **XI. SEVERABILITY**

4 The provisions of this Consent Order are severable. If any provision of this Consent
5 Order is declared by a court of law to be invalid or unenforceable, all other provisions of this
6 Consent Order shall remain in full force and effect.

7 **XII. MODIFICATIONS**

8 Any modifications of this Consent Order shall be in writing and must be approved by
9 both Far West and ADEQ.

10 **XIII. EFFECTIVE DATE**

11 The effective date of this Consent Order shall be the date this Consent Order is signed by
12 ADEQ and Far West. If such signatures occur on different dates, the later date shall be the
13 effective date of this Consent Order.

14 **XIV. PARTIES BOUND**

15 No change in ownership, corporate status, or partnership status relating to the subject of
16 this Consent Order will in any way alter the responsibilities of Far West under this Consent
17 Order. Far West will be responsible, and will remain responsible for carrying out all activities
18 required under this Consent Order.

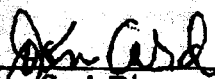
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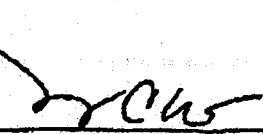
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XV. TERMINATION

The provisions of this Consent Order shall be deemed satisfied and this Consent Order shall be terminated upon receipt of written notification from ADEQ that Far West has demonstrated, to the satisfaction of ADEQ, that all of the terms of this Consent Order have been completed. Any denial of a request for termination from Far West will be in writing and describe which terms of the Consent Order have not been completed to the satisfaction of ADEQ. ADEQ reserves the right to terminate this Consent Order unilaterally at any time for any reason. Any termination will include a written explanation of the reason(s) for termination.

ISSUED this 31st day of October, 2006


Joan Card, Director
Water Quality Division
Arizona Department of Environmental Quality


Nancy Wrona, Director
Air Quality Division
Arizona Department of Environmental Quality

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CONSENT TO ORDER

The undersigned, on behalf of Far West, hereby acknowledges that he has read the foregoing Consent Order in its entirety, agrees with the statements made therein, consents to its entry and issuance by the Arizona Department of Environmental Quality, and agrees that Far West will abide by the same and waive any right to appeal therefrom.

DATED this 25 day of October, 2006.


Paula Capestro, President
Far West Water & Sewer, Inc.

AC

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1 ORIGINAL of the foregoing Consent Order was filed this 31 day of October, 2006
2 with:

3 Judith Fought, Hearing Administrator
4 Office of Administrative Counsel
5 Arizona Department of Environmental Quality
6 1110 West Washington Street
7 Phoenix, Arizona 85007-2935
8

9 COPY of the foregoing Consent Order was sent certified mail, return receipt requested, this 31
10 day of October, 2006 to:

11 Paula Capestro, President
12 Far West Water & Sewer, Inc.
13 12486 Foothills Blvd.
14 Yuma, Arizona 85367
15

16 COPIES of the foregoing Consent Order were sent by regular/interdepartmental mail, this 31
17 day of October, 2006 to the following:

18 Mark Horlings, Civil Unit Chief
19 Environmental Enforcement Section
20 Office of the Attorney General
21 1275 West Washington Street
22 Phoenix, Arizona 85007
23

24 Cynthia S. Campbell, Manager, WQCS, ADEQ

25 Robert Casey, Manager, WQEU, ADEQ

26 Michele Robertson, Manager, Groundwater Section, ADEQ

27 Asif Majeed, Manager, Wastewater, Recharge & Reuse Unit, Groundwater Section, ADEQ

28
29 Becky Brooks, Director
30 Yuma County Health Department
31 2200 West 28th Street
32 Yuma, Arizona 85364
33

34 Kathi Moore, Chief
35 CWA Compliance Office (WTR-7)
36 U.S. EPA, Region IX
37 75 Hawthorne Street
38 San Francisco, CA 94105
39
40

EXHIBIT Z

	Address	Permit #	Date of Issue
11459	Avenida Compadres		
11469	Avenida Compadres		
11479	Avenida Compadres		

10195	E. 35th Street		
10203	E. 35th Street		
10213	E. 35th Street		
11625	E. 35th Street		
11626	E. 35th Street		

10204	35th Place		
10214	35th Place		
10224	35th Place		
10234	35th Place		
10244	35th Place		
10146	35th Place		
10219	35th Place		
10229	35th Place		
10239	35th Place		
10121	35th Place		

10112	E. 36th Street		
10182	E. 36th Street		

10213	E. 36th Place		
10214	E. 36th Place		

10116	E. 37th Street		
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10175	E. 37th Place		
10185	E. 37th Place		
10212	E. 37th Place		
10253	E. 37th Place		

11713	Chapparal Drive		
11723	Chapparal Drive		
11733	Chapparal Drive		
11823	Chapparal Drive		
11833	Chapparal Drive		
11853	Chapparal Drive		

Nat'l Bank	at 40th Street		
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Happy Trails	at Fortuna Rd.		
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